



Motor Vehicle Division

Motor Fuel Manual

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Our Mission:

Department of Revenue

- We partner with our stakeholders to provide customer-oriented, fair, reliable revenue administration.

Motor Vehicle Division

- To provide prompt and courteous customer service to all stakeholders, while administering the motor vehicle laws of South Dakota.

South Dakota Motor Fuel Tax System and Laws

South Dakota has 82,536 miles of roadway - 7,810 miles are state highways and even though it's only 9.5% of the total mileage, the state highway system carries approximately 67% of all vehicle miles traveled.

South Dakota's 8,000-mile network of roads and highways and its airport facilities and runways are essential to the state's economy and its citizens' quality of life. Through the taxation of fuels, the costs of creating and maintaining this transportation infrastructure are distributed proportionately to the individuals and businesses that use our transportation system.

<u>Fuel Tax Laws</u>	<u>Description</u>
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10-47B-15	Repealed
10-47B-16	Repealed
10-47B-17	Repealed
10-47B-18	Repealed

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Links



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<http://sd.gov/default.aspx>



South Dakota Department of Revenue (SD DOR)
<http://dor.sd.gov/>

Motor Fuel Forms Page
http://dor.sd.gov/Motor_Vehicles/Motor_Fuel/Forms.aspx

E-Path Help Page
http://dor.sd.gov/Education/EPATH/EPATH_Help.aspx

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What is the Motor Fuel Tax System?

- South Dakota's 8,000-mile network of roads and highways and its airport facilities and runways are essential to the state's economy and its citizens' quality of life. Through the taxation of fuels, the costs of creating and maintaining this transportation infrastructure and distributed proportionately to the individuals and businesses that use our transportation system.

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What are the tax rates on clear fuel?

- **Fuel Tax Rates as of April 1, 2015**

FUEL TYPE	FTA PRODUCT CODE	TAXRATE
Jet Fuel	130	4 Cents per Gallon
AVGAS (Aviation Gasoline)	125	6 Cents per Gallon
100% Ethyl Alcohol	123	14 Cents per Gallon
100% Methyl Alcohol	243	14 Cents per Gallon
Compressed Natural Gas (CNG)	224	10 Cents per Gallon
Liquid Natural Gas (LNG)	225	14 Cents per Gallon
Liquid Petroleum Gas (LPG)	054	20 Cents per Gallon
*Biodiesel & Biodiesel Blends	284 & 170	28 Cents per Gallon
Gasoline	065	28Cents per Gallon
Natural Gasoline	061	28 Cents per Gallon
Undyed (Clear) Diesel (Including K1 & K2 Kerosene)	160	28 Cents per Gallon

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What are the tax rates on dyed fuel?

- Depending on what the dyed fuel is being used for will determine the tax rate that is paid.
- South Dakota charges 4.5% State Sales Tax plus applicable municipal sales tax applies to the selling price of dyed fuel. Dyed fuels subject to sales tax are:
 - 072 Dyed Kerosene
 - 171 Dyed [Biodiesel Blends](#)
 - 228 Dyed Diesel Fuel
 - 290 Dyed [Biodiesel](#)
- Dyed Diesel may be purchased tax exempt if it is for Agriculture use.
- Dyed diesel is sales taxable for use other than agriculture.

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What is the Tank Inspection fee and how much is it?

- Both state and federal law require that most owners of petroleum storage tanks be able to demonstrate financial responsibility for pollution cleanup and third-party liability. The United States Environmental Protection Agency (EPA) has approved the South Dakota Petroleum Release Compensation Fund (PRCF) as an acceptable mechanism for tank owners to demonstrate financial responsibility for corrective action and third-party compensation. PRCF revenues are generated by a two cents per gallon tank inspection fee on petroleum products received, shipped and stored in the state. This fund is used for the clean-up of petroleum spills. Please refer to [SDCL 34A-13-20](#) and Administrative Rule [74-32-02.01](#) for further information about the Tank Inspection Fee.

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Who needs to be licensed in South Dakota?

- There are a number of motor fuel licenses: Terminal Operator, Supplier, Importer/Exporter, Transporter, Bulk Plant Operator, Ethanol Producer, Blender, Marketer, Tribal Marketer, Biodiesel Producer, CNG Vendor, LNG Vendor, LPG Vendor, LPG User, and Highway Contractor. Depending on the type of business you are conducting will determine what licenses you will need for your business.
- The 16 license types are:

License Type	Description
Terminal Operator	Person who by ownership or contractual agreement is charged with the responsibility and physical control over the operation of the terminal.
Supplier	Person that owns motor fuel or special fuel in the pipeline and terminal distribution system in this state or makes sales or authorizes the removal of this fuel from the terminal at the rack. They are also the person who owns fuel in the pipeline immediately before it is withdrawn at the terminal rack.
Importer/Exporter	Person who purchases or owns motor fuel or special fuel in another state or country and transports or delivers or causes the fuel to be transported or delivered into this state by any means other than pipeline.
Transporter	Person engaged in the activity of interstate or intrastate movement of fuel within this state by transport truck, rail car, or by any other means in quantities of over four thousand two hundred gallons.
Bulk Plant Operator	Person who has responsibility and physical control over the operation of a bulk plant.
Ethanol Producer	Person engaged in the business of producing ethyl alcohol for sale, use, or distribution.
Ethanol Broker	Person engaged in the business of marketing ethyl alcohol produced by ethanol producers located in South Dakota.
Blender	Person engaged in the activity of making blends.
Marketer	Person engaged in business as a wholesale distributor or retail dealer.

Tribal Marketer	Person engaged in the wholesale or retail sale of motor fuel or special fuel on Indian reservations and/or in Indian country that have tax agreements with the State of South Dakota and the Department of Revenue.
Biodiesel Producer	Person who engages in the business of producing biodiesel for sale, use, or distribution.
CNG Vendor	Person engaged in the business of selling compressed natural gas for use in the engine fuel supply tanks of motor vehicles and is regulated by the Public Utilities Commission.
LNG Vendor	Person engaged in the business of selling liquid natural gas for use in the engine fuel supply tanks of motor vehicles.
LPG Vendor	Person engaged in the business of selling liquid petroleum gas, wholesale or retail, for use in the engine fuel supply tank of a motor vehicle in this state or has the capability of selling liquid petroleum gas for use in the engine fuel supply tank of a motor vehicle. The term applies to any vendor who uses LPG in a motor vehicle.
LPG User	Person using liquid petroleum gas in the engine fuel supply tank of a motor vehicle and wishes to purchase liquid petroleum gas in bulk into a storage tank which has a delivery hose attached thereto on a tax unpaid basis in this state.
Highway Contractor	Person engaged in the activity of highway construction work in this state. The term does not include any person who only owns and operates motor vehicles within the right-of-way hauling gravel or concrete and does not own or operate off-road machinery in the highway construction work.

- Each license grants certain privileges and carries specific responsibilities. An individual or business may hold one or several licenses depending on the business transacted. For more information regarding each license type please refer to the [Licenses-Tax Returns](#) section of the Motor Fuel Manual.

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How do I apply for a Motor Fuel License?

- You may complete an online application at <https://sd.gov/taxapp>

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Is there a charge and bond requirement for a Motor Fuel License?

- No fees are charged for Motor Fuel licenses and there are no bonding requirements (except for individuals who are delinquent in reporting and remitting fuel tax, and to reinstate a revoked license).

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What if I have more than one business location in South Dakota?

- A separate license is required for each type of business and for each location in the case of multiple sites.

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What are the grounds for denial of a license?

- The secretary may refuse to issue or renew a license for any of the following reason:
 - The application is filed by a person whose license has been canceled for cause by the Secretary;
 - The applicant has made false or misleading statements in the application;
 - The application is filed by a person as a subterfuge for another person whose license has been canceled for cause by the Secretary;
 - At the time of application for license renewal, the person is found to have been delinquent in the filing of tax returns or the payment of taxes two or more times during the preceding license year; or
 - The applicant was convicted of a crime involving fuel tax or owes fuel tax, penalty, or interest to South Dakota or another state.

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What do I do if my business changes its name, address, contact officer, ownership, or ceases operation?

- You must notify the Department of Revenue when your business has any changes to its name, address, contact information. You can notify the department by sending a letter signed by an owner or officer we have on file for your company.
- In situations where your business changes ownership please contact the Department of Revenue for information on what to do.
 - Please Email: sdmotorfuel@state.sd.us
- If your business ceases operating you may either cancel your licenses online or notify the Department of Revenue by completing the [Request to Cancel Motor Fuel License\(s\)](#) form or by sending a letter signed by an owner or officer we have on file for your company.
- If a business changes its name, address, or contact officer a written notice must be submitted to the Department with the updated information.

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How long am I required to maintain my records?

- All records must be preserved for the current year and the three preceding calendar years.

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Do I have to file a Motor Fuel Tax Return if I do not have any activity?

- Yes, South Dakota motor fuel tax returns are due for every tax period, even if you did not have any activity during that period.

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What are the different returns and their due dates?

- Below are the different tax returns and their due dates.

License Type	Frequency	Return Due Date	Payment Due Date
Supplier	Monthly	20th	25th
Importer/Exporter	Monthly	20th	25th
Ethanol Producer	Monthly	20th	25th
Ethanol Broker	Monthly	20th	25th
Biodiesel Producer	Monthly	20th	25th
Blender	Monthly	20th	25th
CNG Vendor	Monthly	20th	25th
LNG Vendor	Monthly	20th	25th
LPG Vendor	Monthly	20th	25th
Terminal Operator	Monthly	20th	N/A
Tribal Marketer	Monthly	20th	N/A
Marketer	Custom	N/A	N/A
LPG User	Semi-annual	20th	25th
Highway Contractor	Quarterly	20th	20th

- **If you have been approved to file paper returns you are required to file your tax return and payment by the 20th of the month in which the return is due.**
- For more information on the tax due date changes please [click here](#).

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What if the due date falls on a Saturday, Sunday or holiday?

- If a due date falls on a holiday returns and tax payments may be submitted on the following business day. Which means a day that is not a Saturday, Sunday, legal holiday, and days that the Federal Reserve Bank is closed. [SDCL 10-47B-190](#)

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Do I need to round my gallons on my tax return?

- Yes, gallons need to be rounded to the nearest whole gallon. For example if 125.78 gallons of alcohol were sold you would round the number to 126.

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Do I have to pay the tax due when I submit my return?

- No. Both the return and payment must be made by the due dates listed above to avoid late penalties and/or interest charges, but they do not need to be submitted at the same time. For example, you may submit your return on the 10th of the month and wait until the due date to make your payment.

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How are tax returns filed?

- South Dakota is in the process of having all fuel tax licensees file their tax returns online by using the newly implemented South Dakota EPath Tax Return System. At this time Highway Contractors are the only license type that files paper tax returns.
- Please refer to the [Highway Contractor](#) tax return to see how this return is filed.

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What is EPath?

- EPath is the newly implemented system that allows taxpayers to file EPath Tax Returns and Schedules, to amend previously filed tax returns and schedules, to set up electronic funds transfers, and cancel fuel tax licenses.
- To create an account on EPath please visit <https://apps.sd.gov/rv23epath/login.aspx>

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Why isn't my EPath password working?

- The following are the most common causes of this problem:
 - Improper capitalization: passwords are case-sensitive, please make sure your "Caps Lock" button is off to ensure you are typing your password correctly.
 - The incorrect password or username is being used.
 - Your account has been locked as a result of too many incorrect attempts to access your account.
- If you have checked everything and are still having trouble accessing your EPath account please contact the Department of Revenue Motor Fuel Section using one of the options below. You will need to provide your name, EPath username, email address (you will be emailed a new password), company name, and your license number. To ensure faster service please have all of the above information ready.
 - Motor Fuel Division Contact Information
 - ◆ Joshua Becker (Pierre Agent)
 - 605-773-8178
 - ◆ Ryan Conway-Hay (Sioux Falls Agent)
 - 605-367-5899
 - ◆ Daniel Nguyen (Sioux Falls Agent)
 - 605-367-5259
 - ◆ Email: sdmotorfuel@state.sd.us

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What if I forgot my EPath password?

- If you have forgotten your password please click on the "Forgot Password" button on the [EPath login page](#). You will then enter your username to reset your password. A temporary password will be emailed to the address on file. If the email address is no longer valid please call the [Department](#) to retrieve your temporary password.

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What if I don't have the means to file online?

- Licensees are required to file their returns electronically unless authorized by the Secretary to file paper returns. If you are unable to file electronically you may contact the [Department](#) to receive paperwork requesting authorization of paper filing. Approval or denial of this request is determined on a case by case basis.

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When can fuel be sold fuel tax exempt?

- The following are exempt from fuel excise tax:
 - Motor fuel or undyed special fuel removed from a terminal in this state at the rack by the federal government or defense fuel supply center for consumption in any federal government motor vehicle, machinery, equipment, or aircraft.
 - Motor fuel or undyed special fuel imported into this state by the federal government or defense supply center for consumption in any federal government motor vehicle, machinery, equipment, or aircraft.
 - Trans-mix removed from a terminal in this state at the rack by the terminal operator and transferred to another terminal, or to a licensed supplier for refinement and re-introduction into the pipeline system.
 - Undyed special fuel removed from a terminal in this state at the rack delivered directly into a railroad locomotive if the railroad company is also the supplier.
 - Motor fuel or undyed special fuel removed from a terminal in this state by an electrical power company of cooperative and directly used for the generation of electricity.
 - Motor fuel or special fuel transfers in bulk by pipeline into a terminal or in bulk by pipeline within a terminal. This subdivision does not apply to any transfers for ethyl alcohol or methyl alcohol into a terminal or within a terminal. The subsequent removal of the fuel from the terminal is not exempt from tax.

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What do I do if undyed fuel is accidentally mixed with dyed fuel?

- Any business or person may collect a refund of fuel excise taxes paid when undyed fuel that is accidentally mixed with clear fuel. However, to qualify for this refund, the amount of undyed fuel accidentally mixed must exceed 500 gallons. The claimant must notify the Department of Revenue within five days of the accidental mixture and complete the [Affidavit of Accidental Mixing of Undyed Fuel with Dyed Fuel](#).

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Where do I find information on IFTA and IRP?

- You may visit www.sdtruckinfo.com for IFTA and IRP information.
- You may also contact the South Dakota Department of Revenue at the contact information below
 - IFTA/IRP Contact Information:
 - ◆ Dani Tobin
 - 605-773-2104
 - sdmotorcarrier@state.sd.us

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How can I obtain additional information on motor fuel?

- For additional information on motor fuel please refer to the [2019 Motor Fuel Manual](#) or visit http://dor.sd.gov/Motor_Vehicles/Motor_Fuel/default.aspx.
- You may also contact one of our Motor Fuel Agents at the contact information listed below:
 - Motor Fuel Contact Information
 - ◆ Email: sdmotorfuel@state.sd.us
 - ◆ Joshua Becker (Pierre Agent)
 - 605-773-8178
 - ◆ Ryan Conway-Hay (Sioux Falls Agent)
 - 605-367-5899
 - ◆ Daniel Nguyen (Sioux Falls Agent)
 - 605-367-5259

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Fuel Tax Rates

The chart below shows the South Dakota fuel type, product code & tax rate charged for each type of fuel:

Fuel Tax Rates as of April 1, 2015

FUEL TYPE	FTA PRODUCT CODE	TAX RATE
Jet Fuel	130	4 Cents per Gallon
AVGAS (Aviation Gasoline)	125	6 Cents per Gallon
100% Ethyl Alcohol	123	14 Cents per Gallon
100% Methyl Alcohol	243	14 Cents per Gallon
Compressed Natural Gas(CNG)	224	10 Cents per Gallon
Liquid Natural Gas (LNG)	225	14 Cents per Gallon
Liquid Petroleum Gas (LPG)	054	20 Cents per Gallon
*Biodiesel & Biodiesel Blends	284 & 170	28 Cents per Gallon
Gasoline	065	28 Cents per Gallon
Natural Gasoline	061	28 Cents per Gallon
Undyed (Clear) Diesel (Including K1 & K2 Kerosene)	160	28 Cents per Gallon

The South Dakota 4.5% State Sales Tax plus applicable municipal sales tax applies to the selling price of dyed fuel. Dyed fuel is subject to sales tax are:

- 072 Dyed Kerosene
- 171 Dyed Biodiesel Blends
- 228 Dyed Diesel Fuel
- 290 Dyed Biodiesel

Any other type of fuel product that is used to propel a [motor vehicle](#) is taxed at a rate of 28 Cents per Gallon. Some of these other fuel types and product codes are as follows:

- 092 Other (Undefined) Products
- 142 Undyed Kerosene

In addition to the above taxes, a 2 cents per gallon [Tank Inspection Fee](#) is charged for each gallon of fuel that is sold.

*Effective in the quarter after biodiesel production facilities in South Dakota reach a name plate capacity of at least twenty million gallons per year and fully produce at least ten million gallons of biodiesel within one year as determined by the Secretary of Revenue, the tax rate for Biodiesel and Biodiesel Blends will change to 26 Cents per gallon. This rate will be in effect until the quarter after thirty-five million gallons of taxed Biodiesel and taxed Biodiesel Blend are sold. After that time the tax rate will return to 28 cents per gallon. Please refer to [SDCL 10-47B-4](#) for further information.

Fuel Tax Rates **Prior** to April 1, 2015

FUEL TYPE	FTA PRODUCT CODE	TAXRATE
Jet Fuel	130	4 Cents per Gallon
AVGAS (Aviation Gasoline)	125	6 Cents per Gallon
100% Ethyl Alcohol	123	8 Cents per Gallon
100% Methyl Alcohol	243	8 Cents per Gallon
Compressed Natural Gas(CNG)	224	10 Cents per Gallon
Liquid Natural Gas (LNG)	225	14 Cents per Gallon
Liquid Petroleum Gas (LPG)	054	20 Cents per Gallon
*Biodiesel & Biodiesel Blends	284 & 170	22 Cents per Gallon
Gasoline	065	22 Cents per Gallon
Natural Gasoline	061	22 Cents per Gallon
Undyed (Clear) Diesel (Including K1 & K2 Kerosene)	160	22 Cents per Gallon

Tank Inspection Fees

Both state and federal law require that most owners of petroleum storage tanks be able to demonstrate financial responsibility for pollution cleanup and third-party liability. The United States Environmental Protection Agency (EPA) has approved the South Dakota Petroleum Release Compensation Fund (PRCF) as an acceptable mechanism for tank owners to demonstrate financial responsibility for corrective action and third-party compensation. PRCF revenues are generated by a two cents per gallon tank inspection fee on petroleum products received, shipped and stored in the state. This fund is used for the clean-up of petroleum spills. Please refer to [SDCL 34A-13-20](#) and Administrative Rule [74:32:02:01](#) for further information about the Tank Inspection Fee.

Taxpayers' Bill of Rights

The Taxpayers' Bill of Rights has formalized the fundamental principles that have guided the South Dakota Department of Revenue since 1986. These Rights are as follows:

- 1. You have the right to confidentiality.**
- 2. You have the right to tax information that is written in plain English.**
- 3. You have the right of appeal.**
- 4. You have the right to courteous, prompt, and accurate answers to your questions.**
- 5. You have the right to be certain that collection procedures or assessments are not influenced by performance goals or quotas.**
- 6. You have the right to rely on the written advice given to you by the Department of Revenue.**
- 7. You have the right to be notified before the Department audits your records unless the Secretary of Revenue determines that a delay will jeopardize the collection of tax.**
- 8. You have the right to clear and consistent policy regarding the deadlines for filing tax returns and making payments.**
- 9. You have the right to seek a refund of any taxes you believe you have overpaid within the last three years.**
- 10. You have the right to a process requiring that the seizure of your property for taxes be approved by a person no lower in authority than the division director.**
- 11. You have the right to expect that a good-faith effort to comply with tax laws will be given consideration in disputed cases.**
- 12. You have the right to a tax credit of interest or penalties that are determined to have been inappropriately levied.**
- 13. You have the right to the removal of a lien on your property within 30 days after you have paid all tax, penalty, and interest due.**
- 14. You have the right to have the South Dakota Department of Revenue correct the public record.**

Points of Taxation

- A. The point of taxation for [motor fuel](#) and [special fuel](#), [Ethyl Alcohol](#) and [Methyl Alcohol](#), is at the [terminal](#) rack.
1. This means that whoever owns the fuel immediately before it is withdrawn from a [rack](#) in South Dakota must be licensed as a [Supplier](#).
- B. Suppliers have the major responsibility for collecting fuel tax and remitting it to the state. They are to charge fuel excise tax on any fuel that they sell, with these exceptions:
1. Dyed diesel, dyed biodiesel, and dyed kerosene; [SDCL 10-47B-9](#) & [SDCL 10-47B-19\(3\)](#)
 2. Fuel sold to a licensed [Exporter](#) and destined for delivery outside of South Dakota; [SDCL 10-47B-9.1](#)
 3. Biodiesel sold to a licensed [Blender](#) for blending or to a licensed [Exporter](#) for [export](#); [SDCL 10-47B-10](#)
 4. Fuel sold to the U.S. Government or Defense Fuel Supply Center. [SDCL 10-47B-124](#)
- C. Taxes must also be reported and remitted on all [motor](#) or [special fuel](#) that is [imported](#) into the state if it is purchased from a unlicensed [Out of State South Dakota Supplier](#).
1. These purchases are reported on your [Importer/Exporter Return](#).
 2. The unlicensed [Out of State South Dakota Supplier](#) cannot charge the purchaser South Dakota fuel tax. [SDCL 10-47B-22](#)
- A. Fuel excise tax must also be paid by persons withdrawing [Ethyl Alcohol](#) at an ethanol plant in South Dakota unless they are a licensed [Ethanol Broker](#) that is purchasing the fuel for resale, or a licensed [Exporter](#) that is [exporting](#) the fuel directly to another state. Please see the section on the [Ethanol Broker](#) that lists circumstances in which they are responsible for collecting and remitting fuel tax to the state. [SDCL 10-47B-9.1](#)
- D. [Fuel Additives](#)
1. A fuel excise tax is imposed on all substances blended with [motor fuel](#) or undyed [special fuel](#) unless the substance has been previously taxed. The tax imposed shall be at the rate of the dominant [motor fuel](#) or [special fuel](#) with which the substance is blended. [SDCL 10-47B-8](#)
- E. Dyed Diesel and Dyed [Biodiesel](#) Program
1. Under the dyed diesel and dyed [biodiesel](#) program, diesel or [biodiesel](#) that is to be used for off-road purposes must have dye added to it at the refinery or at the [terminal](#). This fuel is exempt from fuel taxes, however, a two cent per gallon [Tank Inspection Fee](#) is due. Dyeing diesel or [biodiesel](#) makes it easier to differentiate taxable and non-taxable fuel. [SDCL 10-47B-19\(3\)](#)
 2. Penalties for Illegal Use of Dyed Diesel or Dyed Biodiesel In Licensed Motor Vehicles
 - a. Penalties apply to anyone who uses dyed diesel or dyed biodiesel in a licensed motor vehicle operating on South Dakota roads and highways. Authorized personnel of the Department of Revenue, the Internal Revenue Service, and the Highway Patrol may withdraw fuel from licensed motor vehicles, machinery, equipment, and storage facilities in sufficient quantities to test for compliance with the law by [SDCL 1047B-188](#). Any person who refuses to allow an inspection of equipment or fuel as authorized by [SDCL 10-47B-189](#) is guilty of a Class 2 misdemeanor (thirty

days imprisonment in a county jail, a five hundred dollar fine, or both). [SDCL 10-47B-185](#)

- 1) Persons using dyed diesel or dyed biodiesel in a qualified vehicle, such as a semi-truck and similar large truck, are subject to the following penalties:
 - \$500 for the first violation
 - \$1,000 for each subsequent violation
 - 2) Persons using dyed diesel or dyed biodiesel in vehicles other than qualified vehicles, such as cars or pickup trucks, are subject to these penalties:
 - \$250 for the first violation
 - \$500 for each subsequent violation
- b. The first violation of the dyed [special fuel](#) law is a Class 2 misdemeanor; any subsequent violation is a Class 1 misdemeanor. [SDCL 10-47B-187 \(13\)](#) & [SDCL 10-47B-185](#)

Definitions

[A](#) [B](#) [C](#) [D](#) [E](#) [F](#) [G](#) [H](#) [I](#) [J](#) [K](#) [L](#) [M](#) [N](#) [O](#) [P](#) [Q](#) [R](#) [S](#) [T](#) [U](#) [V](#) [W](#)

Term	Definition	Link
ASTM	the American Society for Testing and Materials, a private organization that utilizes committees of industry representatives and regulators to develop product quality standards and test methods to be used by industries, regulator agencies, and purchasing agents;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Aviation Gasoline	a motor fuel that is formulated and produced specifically for use in aircraft;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Biobutanol	butyl alcohol produced from cereal grains;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Biodiesel	a fuel that is comprised of: (a) Mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats, designated B100, and meeting the requirements of the American Society of Testing and Materials D 6751 as of January 1, 2008; (b) A derivative of any organic material, without regard to the process used, that meets the registration requirements for fuels and chemicals established by the Environmental Protection Agency under section 211 of the Clean Air Act (42 U.S.C. 7545) as of January 1, 2008, and the American Society of Testing and Materials (ASTM) D975 or D396 as of January 1, 2008, but does not include oil, natural gas, or coal (including lignite), or any products thereof; or (c) Both;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Biodiesel Blend	a blended special fuel containing a minimum of five percent by volume of biodiesel;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Biodiesel Producer	a person who engages in the business of producing biodiesel for sale, use, or distribution.	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Blender	a person engaged in the activity of making blends. A person need not be a blender to mix two or more substances which have previously been subject to the fuel excise tax imposed by this chapter. A person need not be a blender to mix two or more substances which have not been subject to the fuel excise tax imposed by this chapter, if the mixed product does not result in producing a motor fuel or special fuel;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Blends	one or more petroleum product, mixed with or without another product, regardless of the original character of the product blended, if the product obtained by the blending is capable of use in the generation of power for the propulsion of a motor vehicle, an airplane, or a motorboat. The term does not include those blends that occur in the process of refining by the original refiner of crude petroleum or by the blending of products known as lubricating oil and greases. The term does not apply to fuel additives which have been subject to sales or use tax imposed by chapters 10-45 and 10-46, or to dye;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Book Transfer	a transaction in which a product is transferred from one supplier or out-of-state supplier or position holder to another, if: (a) The transaction includes a transfer from the person who holds the inventory position for motor fuel or special fuel in the terminal as indicated in the records of the terminal operator; and (b) The transfer is completed within the terminal at the time of the removal from the terminal for delivery to a customer of the transferee. The bill of lading issued by the terminal operator shall indicate the transferee as the supplier or shipper;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Bulk Container or Bulk Cargo Area	any tank, vessel, or container used to store or transport fuel. This term does not include a supply tank which is mounted on a motor vehicle and connected to the engine of that motor vehicle;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Bulk Plant	a motor fuel or special fuel storage facility, other than a terminal, that is primarily used for redistribution of motor fuel or special fuel by a transport truck, tank wagon, or rail car;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Bulk Plant Operator	a person who has responsibility and physical control over the operation of a bulk plant.	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Compressed Natural Gas	natural gas which has been compressed, but not to a liquid state, for use as a motor vehicle fuel and which for purposes of taxation as a motor vehicle fuel, shall be converted to equivalent liquid gallons of gasoline at the rate of 126.67 cubic feet of natural gas as its natural service delivery line pressure to equal one volumetric gross gallon of gasoline;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Compressed Natural Gas Vendor	a person engaged in the business of selling compressed natural gas for use in the engine fuel supply tanks of motor vehicles and is regulated by the Public Utilities Commission;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Consignee	the first person to hold title to fuel after it is withdrawn at a terminal rack or bulk plant and delivered into a bulk cargo area of a transport truck or railcar. The name of the consignee shall be identified and prominently displayed on	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3

	the bill of lading;	
Department	the Department of Revenue;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Destination State	the state for which a motor vehicle, railcar, or barge is destined for off-loading of motor fuel or special fuel from its bulk cargo area by the consignee into storage facilities for consumption or resale. If title of the fuel passes from the consignee to another party prior to off-loading, the destination state is the state in which title passes. The destination state shall be identified and prominently displayed on the bill of lading. If the destination state is not prominently displayed on the bill of lading, it is presumed that South Dakota is the destination state;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Ethanol Blend	a blended motor fuel containing ethyl alcohol of at least ninety-nine percent purity typically derived from agricultural products which is blended exclusively with a product commonly or commercially known or sold as gasoline;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Ethanol Broker	any person who engages in the business of marketing ethyl alcohol produced by ethanol producers located in South Dakota;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Ethanol Producer	any person who engages in the business of producing ethyl alcohol for sale, use, or distribution;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Ethyl Alcohol	a motor fuel typically derived from agricultural products that has been denatured as prescribed in § 10-47B-166 . This definition does not apply to § 10-47B-162 ;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Export	with respect: (a) To a seller, when the seller's motor fuel or special fuel is delivered out-of-state by or for the seller; and (b) To a purchaser, when the purchaser's motor fuel or special fuel is delivered out-of-state by or for the purchaser;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Exporter	any person, who purchases or owns motor fuel or special fuel in this state and transports or delivers or causes the fuel to be transported or delivered to another state or country by any means other than pipeline;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Gallon	for purposes of fuel taxation, a United States gallon measured on a gross volume basis. Temperature adjusted or net gallons of measurement are not acceptable as units of measurement for taxation purposes unless used for the calculation of liquid petroleum gas, compressed natural gas, or liquid natural gas;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Gasoline	a fuel product commonly or commercially known or sold as gasoline or reformulated gasoline, which has not been blended with alcohol, naphtha, or any other fuel products such as casinghead, absorption, drip, or natural gasolines;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Fuel Additive	a product purchased or acquired for the purpose of adding it to motor fuel or special fuel which was formulated and produced exclusively to enhance the performance or quality of the fuel. The term does not include kerosene;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Heating Fuel	a special fuel that is burned in a boiler furnace, or stove for heating or industrial processing purposes;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Highway Construction Work	all work which is performed in any capacity to propel vehicles, machinery, or equipment within the right-of-way in the construction, reconstruction, repair, or maintenance of public highways;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Highway Contractor	any person engaged in the activity of highway construction work in this state. The term does not include any person who only owns and operates motor vehicles within the right-of-way hauling gravel or concrete and does not own or operate off-road machinery in the highway construction work;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Import	with respect: (a) To a seller, when the seller's motor fuel or special fuel is delivered into South Dakota from out-of-state by or for the seller; and (b) To a purchaser, when the purchaser's motor fuel or special fuel is delivered into South Dakota from out-of-state by or for the purchaser;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Importer	any person who purchases or owns motor fuel or special fuel in another state or country and transports or delivers or causes the fuel to be transported or delivered into this state by any means other than pipeline;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Jet Fuel	a special fuel that is formulated and produced specifically for use in jet aircraft;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Liquid	any substance that is liquid in excess of sixty degrees Fahrenheit and a pressure of fourteen and seven-tenths pounds per square inch absolute;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Liquid Natural Gas	natural gas which has been cooled to approximately -260 degrees Fahrenheit and is in a liquid state, for use as a motor vehicle fuel and which for purposes of taxation as a motor vehicle fuel, shall be converted to equivalent liquid gallons of gasoline at the rate of 1.5536 gallons of liquid natural gas to equal one volumetric gross gallon of gasoline;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Liquid Natural Gas Vendor	any person engaged in the business of selling liquid natural gas for use in the engine fuel supply tanks of motor vehicles;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Liquid Petroleum Gas	liquid petroleum gas (LPG) when used as a motor vehicle fuel shall be converted for purposes of taxation to equivalent liquid gross gallons using the conversion factor of 4.24 pounds per gallon of liquid at sixty degrees Fahrenheit;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Liquid Petroleum Gas User	a person who uses liquid petroleum gas in the engine fuel supply tank of a motor vehicle and wishes to purchase liquid petroleum gas in bulk into a storage tank which has a delivery hose attached thereto on a tax unpaid basis in this state;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3

Liquid Petroleum Gas Vendor	a person engaged in the business of selling liquid petroleum gas, wholesale or retail, for use in the engine fuel supply tank of a motor vehicle in this state or has the capability of selling liquid petroleum gas for use in the engine fuel supply tank of a motor vehicle. The term applies to any vendor who uses LPG in a motor vehicle;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Marketer	any person who is engaged in business as a wholesale distributor or retail dealer;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Methyl Alcohol	a motor fuel typically derived from wood products;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Motor Fuel	includes: <p>(a) All products commonly or commercially known or sold as gasoline, ethyl alcohol, methyl alcohol, and all gasoline blends. These products may include in some quantity casing head, absorption, natural gasoline, benzol, benzene, naphtha, except that flashing above one hundred degrees Fahrenheit, and Tagliabue closed cup test, which is sold and used only as cleaner's or painter's solvent; and</p> <p>(b) Any liquid prepared, advertised, offered for sale, or sold for use as commonly and commercially used as a fuel in internal combustion engines, which when subjected to distillation in accordance with the standard method of test for distillation of gasoline, naphtha, kerosene, and similar petroleum products (American Society of Testing Material Designation D-86) shows not less than ten percent distilled (recovered) below three hundred forty-seven degrees Fahrenheit and not less than ninety-five percent distilled (recovered) below four hundred sixty-four degrees Fahrenheit;</p> <p>(c) The term does not include liquefied gases which would not exist as liquids at a temperature of sixty degrees Fahrenheit and a pressure of fourteen and seven-tenths pounds per square inch absolute;</p>	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Motor Vehicle	includes all vehicles that are required to be registered and licensed by a jurisdiction and are designed for use upon the public roads and highways. Terrigators and spray coupes that are not designed for use upon the public roads and highways are not included in this definition;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Nonhighway Agricultural Use	fuel used off the public highways and roads of this state for producing, raising or growing, and harvesting of food or fiber upon agricultural land, including dairy products, livestock, and crops. The services of custom harvesters, chemical applicators, fertilizer spreaders, hay grinders, and cultivators are considered agricultural purposes;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Nonhighway Commercial Use	fuel used off the public highways and roads of this state for business purposes other than a nonhighway agricultural use. Recreational vehicles including snowmobiles, go-carts, golf carts, bumper boats, and similar vehicles are not included in this definition;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Out-Of-State Supplier	any person who does not meet the geographic jurisdictional connections to this state required of a supplier, and is registered under Section 4101 of the Internal Revenue Code;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Person	a natural person, a partnership, a limited partnership, a joint venture, a firm, an association, a corporation, a cooperative, a representative appointed by a court, the state, a political subdivision, or any other entity, group, or syndicate;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Petroex Number	a string of alpha or numeric characters that are used to communicate transactional information between a transporter or consignee and a supplier;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Public Highways Or Roads	any way or place of whatever nature, including waterways and snowmobile trails, which are open to the use of the public as a matter of right for the purpose of vehicular, snowmobile, or watercraft travel, even if the way or place is temporarily closed for the purpose of construction, reconstruction, maintenance, or repair;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Qualified Biobutanol Producer	any person who engages in the business of producing biobutanol for sale, use, or distribution and who produced qualified ethyl alcohol on or before December 31, 2006, and is therefore eligible for receiving incentive payments for the production of ethyl alcohol under § 10-47B-162 ;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Qualified Motor Vehicle	a motor vehicle used, designed, or maintained for transportation of persons or property and: <p>(a) Having two axles and a gross vehicle weight or registered gross vehicle weight exceeding twenty-six thousand pounds;</p> <p>(b) Having three or more axles regardless of weight; or</p> <p>(c) Is used in combination when the weight of such combination exceeds twenty-six thousand pounds gross vehicle weight. The term does not include recreational vehicles used for pleasure;</p>	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Racing Fuel	a motor or special fuel that is specifically produced for use in race cars;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Rack	a dock, a platform, or an open bay with metered pipes, hoses or both that is used for delivering motor fuel or special fuel from a refinery or terminal into the cargo area of a motor vehicle, rail car, marine vessel, or aircraft for subsequent transfer or use into the engine fuel supply tank of a locomotive or any self-propelled vehicle. The term includes a pipe, series of pipes, or pipeline used to withdraw motor fuel or special fuel from one pipeline system to another pipeline system or storage facility, if the fuel withdrawn is committed for sale or use in this state;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Retail Dealer	a person who sells or distributes motor fuel or special fuel to the end user within this state;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Sale	the title of fuel passed from the seller to the buyer for a consideration;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3

Secretary	the secretary of the Department of Revenue;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Special Fuel	all combustible gases and liquids that are: (a) Suitable for the generation of power in an internal combustion engine or motor; or (b) Used exclusively for heating, industrial, or farm purposes other than for the operation of a motor vehicle. The term includes diesel fuel, fuel oil, heating fuel, biodiesel, all special fuel blends, and all kerosene products except K-1. The term does not include motor fuel, liquid petroleum gas, liquid natural gas, compressed natural gas, or natural gas which is not compressed natural gas. The term, special use fuel, is synonymous with the term, special fuel;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Supplier or Shipper	a person that imports or acquires upon import into this state motor fuel or special fuel by pipeline or marine vessel from another state, territory, or possession of the United States into a terminal within this state, or that imports motor fuel or special fuel into this state from a foreign country or that produces, manufactures, or refines motor fuel or special fuel within this state, or that owns motor fuel or special fuel in the pipeline and terminal distribution system in this state and makes sales or authorizes removal of motor fuel or special fuel from a terminal in this state at the rack or is the receiving exchange partner in a two party exchange or the final transferee in a book transfer, and is subject to the general taxing or police jurisdiction of this state, or is required to be registered under Section 4101 of the Internal Revenue Code for transactions in taxable fuels in the bulk distribution system. The person need not be required to be registered under Section 4101 of the Internal Revenue Code if operating as a railroad company or utility company. A terminal operator may not be considered a supplier merely because the terminal operator handles motor fuel or special fuel consigned to it within a terminal. The name of the supplier or shipper shall be identified and prominently displayed on the bill of lading;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Tank Wagon	a vehicle designed to transport motor fuel or special fuel in bulk, in lots of four thousand two hundred gallons or less;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Terminal	a fuel refinery or storage and distribution facility that is supplied by pipeline or marine vessel, from which motor fuel or special fuel may be removed at a rack and that has been registered as a qualified terminal by the Internal Revenue Service for receipt of taxable fuels free of federal fuel taxes;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Terminal Operator	the person who by ownership or contractual agreement is charged with the responsibility and physical control over the operation of the terminal;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Transfer In Bulk Into or Within A Terminal	includes the following: (a) A marine barge movement of fuel from a refinery or terminal to a terminal; (b) Pipeline movements of fuel from a refinery or terminal to terminal; (c) Book transfers of product within a terminal between suppliers, out-of-state suppliers, or position holders before completion of the removal of the fuel across the terminal rack; (d) Two-party exchanges between licensed suppliers and out-of-state suppliers or position holders;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Transmix	the buffer between two different products in a pipeline shipment, or a mix of two different products within a refinery or terminal that results in an off-grade mixture;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Transporter Or Carrier	any person who engages in the activity of interstate or intrastate movement of fuel within this state by transport truck, rail car, or by any other means in quantities of over four thousand two hundred gallons. The term does not include persons who transport fuel by pipeline or barge. The name of the transporter or carrier shall be identified and prominently displayed on the bill of lading;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Transport Truck	a vehicle, combination of vehicles, or railcar designed to transport motor fuel or special fuel in bulk, in lots greater than four thousand two hundred gallons;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Two-Party Exchange	a transaction in which a product is transferred from one supplier or out-of-state supplier or position holder to another in exchange for other product, sometimes located at a different location, if: (a) The transaction includes a transfer from the person who holds the original inventory position for motor fuel or special fuel in the terminal as indicated in the records of the terminal operator; and (b) The exchange transaction is completed before removal from the terminal by the receiving exchange partner. The bill of lading issued by the terminal operator shall indicate the receiving exchange partner as the supplier or shipper;	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3
Wholesale Distributor	any person who purchases motor fuel or special fuel from a supplier or another wholesale distributor, or removes the fuel from a terminal at the rack, for subsequent sale to another wholesale distributor or retail dealer.	http://sdlegislature.gov/Statutes/Codified_Laws/DisplayStatute.aspx?Type=Statute&Statute=10-47B-3

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Required Licenses

The effectiveness of the fuel tax system in South Dakota depends on license holders at every level within the fuel distribution system. Each license grants certain privileges and carries specific responsibilities. An individual or business may hold one or several licenses, depending upon the kind of business transacted.

- A. You must be licensed with the State of South Dakota if you act as one or more of the following:
1. [Terminal Operator](#), [SDCL 10-47B-58](#)
 2. [Supplier \(Shipper\)](#), [SDCL 10-47B-56](#)
 3. [Importer/Exporter](#), [SDCL 10-47B-61](#) & [SDCL 10-47B-59](#)
 4. [Transporter \(Carrier\)](#), [SDCL 10-47B-60](#)
 5. [Bulk Plant Operator](#), [SDCL 10-47B-68](#)
 6. [Ethanol Producer](#), [SDCL 10-47B-67](#)
 7. [Ethanol Broker](#), [10-47B-68.1](#)
 8. [Biodiesel Producer](#), [SDCL 10-47B-67.1](#)
 9. [Blender](#), [SDCL 10-47B-62](#)
 10. [Marketer](#), [SDCL 10-47B-65](#)
 11. [Tribal Marketer](#)
 12. [CNG Vendor](#), [SDCL 10-47B-64](#)
 13. [LNG Vendor](#), [SDCL 10-47B-64.5](#)
 14. [LPG Vendor](#), [SDCL 10-47B-63](#)
 15. [LPG User](#), [SDCL 10-47B-66](#)
 16. [Highway Contractor](#), [SDCL 10-47B-69](#)
- B. A separate license is required for each type of business and for each location in the case of multiple sites. These license categories are discussed in detail later on in this manual.
- C. License holders that are responsible for filing monthly tax returns and remitting fuel tax to the state are as follows:
1. [Supplier \(Shipper\)](#)
 2. [Importer/Exporter](#)
 3. [Ethanol Producer](#)
 4. [Ethanol Broker](#)
 5. [Biodiesel Producer](#)
 6. [Blender](#)
 7. [CNG Vendor](#)
 8. [LNG Vendor](#)

9. [LPG Vendor](#)

D. [Highway Contractors](#) must file tax returns on a quarterly basis. [SDCL 10-47B-114.1](#)

E. [LPG Users](#) must file returns on a semi-annual calendar basis. [SDCL 10-47B-170.1](#)

F. **If there is no activity during the reporting period, a zero tax return must be filed.**

H. Informational Reports

1. The secretary may waive the filing of the report if the report is unnecessary for the proper administration. [SDCL 10-47B-110](#)
2. [Terminal Operators](#) and [Tribal Marketers](#) submit informational reports monthly. [SDCL 10-47B-98](#) & [SDCL 10-47B-99](#)
3. Only when requested by the [Department](#) informational reports are required to be submitted by the following:
 - a. [Bulk Plant Operators](#), [SDCL 10-47B-103](#)
 - b. [Transporters \(Carriers\)](#), [SDCL 10-47B-108](#)

How and Where to Apply for A License

A. There are different ways to obtain a motor fuel tax license. They are as follows: [SDCL 10-47B-74](#)

1. You may complete an online application at <https://sd.gov/taxapp>
2. You may complete a paper application
 - a. If you choose to complete a paper application you will need to contact the Department to receive one. After completing a paper application, return it to the address listed at the top of the form. You will receive your license(s) approximately 10 working days after the receipt of your application.
3. You may also visit our Pierre, or Sioux Falls office and complete the application with the assistance of one of our motor fuel agents.

a. Office Locations:

Pierre Office

South Dakota Department of Revenue Motor Vehicle Division
445 East Capitol
Pierre, South Dakota 57501-3185
Phone: (605)-773-8178
Fax: (605)-773-4117

Sioux Falls Office

South Dakota Department of Revenue Motor Vehicle Division
300 S Sycamore Ave, Suite #102
Sioux Falls, South Dakota 57110
Phone: (605) 367-5899
Phone: (605)-367-5259
Fax: (605) 367-5830

4. Licensees that are currently in good standing may send a written request to add a license using the same FEIN number. The request must include:
 - a. Company name
 - b. Company address
 - c. Federal employer identification number (FEIN)
 - d. Requested license type
 - e. Business location (if the address is different from the company address)

B. Each application should contain the following information: [SDCL 10-47B-71](#)

1. The name and mailing address of each business owner;
2. The name in which the business is to be conducted;

3. The principal place of business of the owner and the location of any other secondary businesses that should be included under the license application;
 - a. Licensed marketers, bulk plant operators, and terminal operators must provide the address of each business location;
 4. The type of business organization used by the applicant along with the names, addresses, social security numbers, and phone numbers of all owners, partners, officers, agents, or managers affiliated with the organization;
 5. Your federal employer identification number, if available;
 6. A description of the nature and extent of fuel transactions to be conducted by you;
 7. The types of fuel products to be handled;
 8. Whether or not you have previously held a fuel tax license issued by the state;
 9. The names and addresses of banking references for those applicants who will be acquiring fuel tax liabilities with the department;
 10. A properly signed power of attorney should be submitted, if your licensing responsibilities are completed by an independent reporting agent/agency and you choose to have all department correspondence mailed to that agent/agency;
 11. If you are applying for an exporter's license, you will also need to provide a copy of the license you have that allows you to purchase or handle motor fuel or special fuel tax free in the specified [destination state](#) or state for which the export license is to be issued; and
 12. Any other information which the secretary deems necessary for the administration and enforcement of this chapter.
- C. No fees are charged for fuel tax licenses and there are no bonding requirements (except for individuals who are delinquent in reporting and remitting fuel tax, and to reinstate a revoked license).
- D. Once a license card is received, it should be prominently displayed, at the place of business, within the public's view for which it was issued. [SDCL 10-47B-89](#)
- E. The Secretary of Revenue may refuse to issue or renew a license for any of the following reasons: [SDCL 10-47B-73](#)
1. The application is filed by a person whose license has been canceled for cause by the Secretary;
 2. The applicant has made false or misleading statements in the application;
 3. The application is filed by a person as a deception for another person whose license has been canceled for cause by the Secretary;
 4. At the time of application for license renewal, the person is found to have been delinquent in the filing of tax returns or the payment of taxes two or more times during the preceding license year; or
 5. The applicant was convicted of a crime involving fuel tax or owes fuel tax, penalty, or interest to South Dakota or another state.

- F. If your license application is refused, you may request an administrative hearing before the Secretary to review the application. Your request must be submitted within 15 days of the date of notification of refusal.

Canceling Your License

- A. In order to properly cancel your license, a written request must be submitted indicating the reason and the requested date of cancellation. [SDCL 10-47B-76](#)
 - 1. The request may be completed on the [Request to Cancel a Motor Fuel License\(s\)](#) Form.
 - 2. Before your license is cancelled, all returns must be filed and taxes must be paid up to the date of cancellation.

- B. If you file tax returns electronically through [EPath](#) you may also cancel your license(s) online.
 - 1. You may do this by checking the box for the license(s) to be cancelled and entering the last day of business in South Dakota.
 - 2. You will be required to re-enter your name to authorize the cancellation request, and then you will receive a confirmation page to print in [EPath](#).

Business Changes

- A. If your business makes any ownership or location changes you must contact the Department. Depending on the situation a new license may need to be issued.
1. Licenses issued by the secretary cannot be re-assigned to another company or individual and are only valid for the licensee it is issued to. [SDCL 10-47B-79](#)
 2. Examples
 - a. The following are examples that are intended to assist you in determining whether or not you may need a new license. If you are unsure if your situation applies to any of the examples please contact the [Department](#).
 - 1) When a business changes ownership and it is a new corporation with a new FEIN a new license needs to be obtained and the old license needs to be cancelled.
 - a) This is because an assignment of a license is prohibited as there is going to be a new FEIN for the business.
 - 2) When a business changes ownership but the new owners of the business were previously part owners of the business, and the FEIN number remains the same a new license does not need to be applied for.
 - a) The former owner of the business is required to submit a letter to the Department and include a notice for ownership change and the date of sale.
 - b) The new owner will need to submit an explanation letter of the situation including the purchase date of the business, updated contact information (including current officer names, personal addresses, phone numbers, and social security numbers), and documents verifying the ownership changes.
 - 3) When a business changes from a sole proprietor to an LLC.
 - a) The business will need to submit a letter of explanation and a signed copy of the documents that change the company to an LLC.
 - 4) When a business changes its name.
 - a) The business will need to submit a letter of explanation and a copy of the documents that change the company name.
 - 5) When a mailing address or business location changes.
 - a) The business must notify the Department in writing immediately.
 - The [Change of Address](#) form may be used to notify the Department.

Terminal Operator (TO)

- A. A **Terminal Operator** is a person who by ownership or contractual agreement is charged with the responsibility and physical control over the operation of a terminal.
1. A **terminal** is a fuel refinery or storage and distribution facility that is supplied by pipeline or marine vessel, from which **motor fuel** or **special fuel** may be removed at a **rack** and that, has been registered as a qualified **terminal** by the Internal Revenue Service.
 2. Terminal Operators must be licensed to do business in South Dakota. [SDCL 10-47B-58](#)
 3. A separate license is required for each terminal site operated within South Dakota.
- B. Ethanol and Methanol Blends
1. If a Terminal Operator releases an **ethanol** or methanol blend, the bill of lading must list the **alcohol** gallons and **gasoline** gallons separately. [SDCL 10-47B-53](#)
 - a. **Ethyl Alcohol** and **Methyl Alcohol** are taxed at the rate of \$.14 cents per **gallon** plus the \$.02 cents per **gallon Tank Inspection Fee**. [SDCL 10-47B-4.3](#)
 - 1) These products are now taxed because of the various levels of **ethanol blends** now being produced.
- C. Dyeing Tax Exempt Fuel
1. Terminal Operators are responsible for dyeing **special fuel** before it can be sold tax-exempt from the **terminal**. [SDCL 10-47B-20](#)
 2. At the **Supplier's** discretion dye may be added:
 - a. in accordance with United States Environmental Protection Agency (EPA) requirements or
 - b. in accordance with the specifications and amounts required by the Internal Revenue Service (IRS)
- D. Additional Terminal Operator Responsibilities
1. Terminal Operators must make sure that carriers operating in a South Dakota **terminal** are licensed as a **Transporter**.
 - a. The Transporter license will allow the carrier to load and transport fuel from the **terminal**. [SDCL 10-47B-60](#)
 2. Terminal Operators must prepare and provide a bill of lading to the driver of every vehicle removing fuel products from the **terminal**. [SDCL 10-47B-53](#)
 - a. The bill of lading must clearly show all of the following:
 - 1) The actual **destination state** indicated by the **Transporter** or their agent.
 - a) A **Petroex** or similar number may not be used to represent the **destination state**. [SDCL 10-47B-51](#) & [SDCL 10-47B-53\(5\)](#)
 - b) The Terminal Operator relies on the truthfulness of the **Transporter** or their agent as to what **destination state** they print on the bill of

lading. [SDCL 10-47B-51](#)

- c) The business address of the [Supplier](#) cannot be used as the destination for the fuel unless that is where it was actually shipped.
 - d) If the bill of lading's [destination state](#) contains an error due to negligence by the Terminal Operator; they may be subject to an assessment of up to twice the tax rate due on all fuel involved.
- 2) The destination city on the bill of lading may list "Various or Various Locations", but an "Unknown, Unidentified or Unlisted" destination is not acceptable.
- 3) The actual [Consignee](#) (customer) on the bill of lading.
 - a) The titles "Unlisted or Unknown" cannot be used as the [Consignee](#) on the bill of lading.
- 4) Federal ID Numbers (FEINs)
 - a) These numbers must be accurate and the number "999999999" cannot be used.
- 5) The Transporter (Carrier)
 - a) [Transporters](#) (Carriers) **cannot** be listed as "Common Carrier" on the bill of lading. The actual name must be used when identifying them.

Required Records

- A. Terminal Operators are to keep detailed records of all fuel transactions and, in some cases, of fuel usage. Records are used to: [SDCL 10-47B-157](#)
1. Determine the amount of taxes the Supplier collects, reports, and remits to the state from the gross [gallons](#) sold from the [Terminal](#). These [gallons](#) must be a true representation of the gallons released from the [Terminal](#) by all [Suppliers](#) licensed to do business with them.
 - a. Records are to be maintained at the place of business or delivery location at least 30 days;
 - b. Records may then be stored offsite; and
 - c. All records must be preserved for the current year and the three preceding calendar years.
 2. Records must be presented to Department personnel if you are audited or have your records reviewed.
- B. Terminal Operators must maintain all bills of lading in either their original format, through film retrieval, or electronic media. The bill of lading must contain the following: [SDCL 10-47B-53](#)
1. The [terminal](#) or [bulk plant](#) name and address;
 2. The date the fuel was withdrawn from the [terminal](#);
 3. The name and address of the [Supplier](#), Shipper, or owner of fuel within a [bulk plant](#) if withdrawn from a bulk plant bulk plant;
 4. The name of the [Transporter](#) or Carrier;
 5. The [destination state](#). A [Petroex](#) or similar number does not fulfill this requirement;
 6. The bill of lading number;
 7. The number of gross [gallons](#) of each type of fuel;
 8. The type of fuel product transported;
 9. If the fuel contains [Ethyl Alcohol](#) or [Methyl Alcohol](#), the number of gallons of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline or the number of gallons of any other [motor fuel](#) that are contained therein;
 10. The name and address of the [Consignee](#); and
 11. Any other information which the [Secretary](#) deems necessary for the administration and enforcement of this chapter.
- C. The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. [SDCL 10-47B-160](#)

Reporting Schedule

A. Terminal Operators do not remit fuel tax, but in order to determine the amount of **motor fuel** and **special fuel** tax due, they are required to file a summarized monthly report. [SDCL 10-47B-98](#)

1. Reports must be filed on or before the twentieth day of the month following the month in which the transactions took place. [SDCL 10-47B-99](#)

a. For reporting purposes the twentieth day of the month means days that are not Saturdays, Sundays, legal holidays, and days that the Federal Reserve Bank is closed.

1) For example, a Terminal Operator would submit a report detailing all transactions conducted in September by October 20th. If that day falls on a Saturday the report will be due Monday, October 22nd.

2. Terminal Operator Monthly Report Instructions

a. The monthly report may be filed on the form provided by the Department. To access this form you must contact the [Department](#).

b. The following information must be included on the report:

1) The name, address, and license number of all [Suppliers](#) purchasing fuel;

2) All [gallons](#) pulled by each [Supplier](#) during the month (report in whole gross gallons only) These include:

a) Gallons withdrawn with a destination in SD

b) Gallons withdrawn with a destination outside SD

3) Copies of all bills of ladings that have been issued by the [terminal](#) or computer- generated bill of lading information which has been approved by the [Department](#).

4) Duplicate entries are not to be entered on the report.

5) Once all the needed documentation is completed please mail or email it to the address listed below:

a) South Dakota Department of Revenue

Motor Vehicle Division: Motor Fuel Tax Section

445 E. Capitol Avenue

Pierre, SD 57501

b) Email: sdmotorfuel@state.sd.us

Supplier (Shipper) (SU)

- A. A Supplier is a person that owns [motor fuel](#) or [special fuel](#) in the pipeline and [terminal](#) distribution system in this state or makes sales or authorizes the removal of this fuel from the terminal at the [rack](#).
1. A Supplier is also the person who owns fuel in the pipeline immediately before it is withdrawn at the terminal rack.
 2. Anyone selling fuel from the [rack](#) must have a valid South Dakota Supplier's license. [SDCL 10-47B-56](#)
- B. [Out- of- State Supplier](#)
1. Any person meeting the definition of a Supplier and operating from a [terminal](#) located outside of South Dakota may voluntarily become licensed as a Supplier. [SDCL 10-47B-57](#)
 2. They are required to remit fuel excise taxes and [TI fees](#) to South Dakota on any fuel removed from an out-of-state terminal if the issued bill of lading indicates South Dakota as the [Destination State](#). [SDCL 10-47B-22](#) & [SDCL 10-47B-23](#)
- C. Tax Remitting Responsibilities
1. Since taxes are due as they are passed over the rack the Supplier is responsible for collecting and remitting taxes and [Tank Inspection Fees](#) on this fuel.
 - a. Suppliers remit taxes to South Dakota based on the [destination state](#) information printed out on the bill of lading.
 - b. For further information regarding fuel taxes please refer to the [Fuel Taxes and Monthly Returns](#) section of the manual.

Required Records

A. Suppliers are to keep detailed records of all fuel transactions. Records are used to: [SDCL 10-47B-157](#)

1. Accurately complete tax returns;
 - a. Records are to be maintained at the place of business or delivery location at least 30 days;
 - b. Records may then be stored offsite; and
 - c. All records must be preserved for the current year and the three preceding calendar years
2. Records must be presented to Department personnel if you are audited or have your records reviewed.

B. All of the following records must be kept either in their original format, through film retrieval, or electronic media:

1. Sales and purchase invoices
 - a. If a Supplier sells an ethanol blend or methanol blend, the invoice must list the alcohol gallons and gasoline gallons separately. [SDCL 10-47B-159 \(5\)](#)
 - 1) Since the blends are separate types of fuel and are taxed at different rates they must be listed separately on the invoices to properly reflect the difference in tax rates.
2. Shipping records that indicate the **Destination State** for all products sold. [SDCL 10-47B-159](#)
3. Bills of lading
 - a. If a shipment is going to multiple locations in a state, "Various" may be used to identify destination cities, but the titles "Unlisted" and/or "Unknown" are not acceptable.
 - b. The Supplier relies on the truthfulness of the **Transporter** or their agent as to what **destination state** the **Terminal Operator** prints on the bill of lading.
 - c. A **Petroex** or similar number may not be used to represent the destination state. [SDCL 10-47B-51](#)

C. Licensed Suppliers must maintain bills of lading that contain **ALL** of the following: [SDCL 10-47B-53](#)

1. The **terminal** or **bulk plant** name and address.
2. The date the fuel was withdrawn from the **terminal**.
3. The name and address of the **Supplier**, Shipper, or owner of fuel within a **bulk plant** if withdrawn from a bulk plant.
4. The name of the **Transporter** or Carrier.

5. The [destination state](#).
 - a. A [Petroex](#) or similar number does not fulfill this requirement.
6. The bill of lading number.
7. The number of gross [gallons](#) of each type of fuel.
8. The type of fuel product transported.
9. If the fuel contains [Ethyl Alcohol](#) or [Methyl Alcohol](#), the number of gallons of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline or the number of gallons of any other motor fuel that are contained therein;
10. The name and address of the [Consignee](#).
11. Any other information which the [Secretary](#) deems necessary for the administration and enforcement of this chapter.

D. Diversion Tickets

1. South Dakota relies on the information that is printed on the bill of lading to determine taxability of fuel products. If a shipment of [motor fuel](#) or [special fuel](#) needs to be diverted from the [destination state](#) listed on the bill of lading, or where the issuer listed failed to list the correct information on the document the Transporter will issue a diversion ticket for the shipment or partial shipment.
 - a. The [Consignee](#) will report the diversion, pay any additional taxes due, or file for any refunds due on their tax return. [SDCL 10-47B-45](#) & [SDCL 10-47B-48](#)
2. The person who causes the diversion reports the diversion
3. Suppliers bill the customer based off of the destination information listed on the bill of lading, and their involvement with the transaction is to end there.

- E. The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. [SDCL 10-47B-160](#)

Fuel Taxes and Monthly Returns

- A. All fuel tax payments must be remitted to the [Department](#) by electronic transfer and received on or before the twenty fifth day of the month following each monthly period. [SDCL 10-47B-29](#)
1. For more information regarding fuel tax returns and payment due dates please refer to our [Motor Fuel FAQ](#)
 2. Tax Remittance
 - a. Suppliers charge fuel excise tax and the [Tank Inspection Fee](#) to all of fuel listed below. They are also responsible for remitting the taxes and fees to the state for this fuel.
 - 1) Undyed (clear) fuel
 - a) They will collect the tank inspection fee on dyed fuel
 - 2) 100 percent Ethyl Alcohol and/or 100 percent Methyl Alcohol
 - 3) Natural Gasoline
 - 4) For the tax rates on the fuels listed above please refer to the [Fuel Tax Rates](#) section of the manual.
 3. Selling Ethyl Alcohol and Methyl Alcohol
 - a. [Ethyl Alcohol](#) and [Methyl Alcohol](#) are taxed at the rate of \$.14 per gallon plus the \$.02 per gallon Tank Inspection Fee. [SDCL 10-47B-4.3](#)
 - 1) Each licensed supplier and out-of-state supplier who sells 100 percent ethyl alcohol (ethanol) and/or 100 percent methyl alcohol (methanol) are required to collect and remit .14 cents per gallon fuel excise tax, plus .02 cents per gallon tank inspection fee on all sales of these products.
 - 2) These products are now taxed because of the various levels of [Ethanol Blends](#) now being seen in the industry.
 - b. [Ethyl Alcohol](#) or [Methyl Alcohol](#) transferred in bulk into a [terminal](#) or in bulk within a terminal will NOT be exempt from South Dakota taxes and [TI fees](#).
 - 1) [Ethanol Brokers](#) may purchase [Ethyl Alcohol](#) tax free from an [Ethanol Producer](#). Once this fuel transfers from the [Ethanol Broker](#) to a licensed South Dakota Supplier, taxes and TI fees must to be collected from the Supplier and remitted on the Ethanol Broker's tax return. [SDCL 10-47B-9.1](#)
 - c. If a Supplier sells an ethanol blend or methanol blend, the invoice must list the alcohol gallons and gasoline gallons separately. [SDCL 10-47B-159 \(5\)](#)
 - 1) Since the blends are separate types of fuel and are taxed at different rates they must be listed separately on the invoices to properly reflect the difference in tax rates.
 4. In some situations a Supplier does not need to collect tax
 - a. The following instances describe situations where a Supplier is not obligated to collect tax:
 - 1) Sales made from a South Dakota [terminal](#) to a licensed [Exporter](#) who is also licensed in the [destination state](#) that is shown on the bill-of-lading. [SDCL 10-47B-5](#)
 - 2) Sales of dyed diesel or dyed biodiesel.
 - a) **Please note:** the Supplier is required to collect and remit the \$0.02 per gallon Tank Inspection fee in these instances. [SDCL 34A-13-20](#)
 - 3) Product authorizations, two party exchanges, or [book transfers](#) of product with other licensed South Dakota Suppliers within the [terminal](#).
 - a) In these instances the receiving Supplier or Authorization Partner is responsible for collecting and remitting the taxes and [TI fees](#) to South Dakota. [SDCL 10-47B-21](#)
 - 4) Sales made at the [rack](#) to the U.S. Government and the Defense Fuel Supply Center; [SDCL 10-47B-19](#)
 - 5) Sales of unblended [Biodiesel](#) to a licensed [Blender](#) or a licensed Supplier for resale over the terminal rack; [SDCL 10-47B-9](#)

- 6) Sales of unblended [Biodiesel](#) to a licensed [Importer](#) when South Dakota is listed as the [destination state](#) on the bill of lading (the Importer must also be licensed as a Blender). [SDCL 10-47B-113 \(4\)](#)
 5. Certain penalties may be assessed on any licensed Supplier that authorizes sales of [motor fuel](#) or [special fuel](#) for export from a South Dakota [terminal](#) to a person who does not have a valid South Dakota Exporter's license. [SDCL 10-47B-181](#)
- B. Suppliers must file a monthly electronic return that contains information from the previous month using [EPath](#). The return must be filed on or before the twentieth day of the month following each monthly period. [SDCL 10-47B-91](#) & [SDCL 10-47B-92](#)
1. All fuel transactions must be reported and taxes paid (or credits claimed) during the period in which they occur. Prior period adjustments are not allowed.
 - a. For example: if a fuel sale takes place on July 31st the transaction cannot be reported on the August or September return. The transaction must be reported on the July tax return.
 - b. If a transaction occurs at the end of the month and is not reported on that month's tax return, the tax return must be amended reporting the additional transaction on it.
 - 1) If a paper return was filed the return must be amended on paper and if an electronic return was filed it must be amended online using EPath unless the return has already been electronically amended once before.
 - a) For more information on amending returns please refer to the [Amending Returns](#) section of the manual.
 2. Suppliers are required to file an electronic return using the [EPath Schedule](#). [SDCL 10-47B-93](#)
 - a. The information on the schedule will contain:
 - 1) All [gallons](#) that have been released or authorized to be released from a South Dakota [terminal](#) must be reported on this schedule.
 - 2) All gallons sold by an Out-Of-State Supplier from an out-of-state terminal listing South Dakota as the destination state on the bill-of-lading must also be listed.
 - 3) For more information on how to file the EPath Schedule and Supplier Tax Return please refer to the [Supplier Tax Return Instructions](#) section.
 3. Suppliers who properly remit tax are allowed to obtain an allowance on their tax return.
 - a. They may retain an amount equal to two and one-fourth percent (2.25 percent) of the tax due on each gallon of fuel withdrawn from the rack. [SDCL 10-47B-34](#)
 - 1) The Supplier may keep one-third of this amount to help offset the administrative expenses involved in reporting and remitting taxes. The remaining two-thirds are to be passed on to the customer who withdrew the fuel from the terminal rack. [SDCL 10-47B-35](#)
 - b. If a Supplier is late in submitting the monthly return or remitting the taxes due, they cannot keep any of the 2.25 percent allowance. [SDCL 10-47B-36](#)
 - 1) **Please note:** if the Supplier reports and remits on time, but the customers are late in paying the fuel tax owed to the Supplier, the Supplier may keep the entire 2.25 percent allowance.
- C. Customers who purchase fuel from a licensed Supplier at the [terminal](#) rack may delay payment to the Supplier in an amount equal to the tax and the [tank inspection fee](#). [SDCL 10-47B-32](#)
1. The tax due must be made to the Supplier by the twenty-second day of the month following the month the transaction took place.
 - a. The Supplier cannot require payment before that date.
 - 1) Example: a customer who purchases fuel in September must pay the fuel tax due to the Supplier by October 22nd.

2. If a licensed Supplier sells fuel to a customer that failed to pay the required fuel tax, the Supplier may apply for a refund of those taxes by filing an [Affidavit for Bad Debt Loss](#). The state will then make an assessment and seek to collect the taxes from the Supplier's delinquent customer. [SDCL 10-47B-133](#)
 - a. **The application must be made within sixty days from when the delinquency occurred.** The application for refund may include all taxes credited to the delinquent party since the occurrence.
 - 1) The Department must be supplied with satisfactory evidence and testimony to enforce any tax collection action.
 - b. A Supplier is only eligible for this refund by a particular customer once every three years. Afterwards, all taxes due from that customer on any later sales must be collected at the time of purchase for the next three years.
 - c. The [Department](#) will notify all Suppliers that a customer has been delinquent and is not entitled to delayed payment of fuel tax and Tank Inspection fees for the next three years. No further refunds of delinquent taxes will be made on any sales to this customer during the three-year period.

Tax Return Instructions

A. Suppliers file their tax returns electronically using [EPath](#). There are two different methods that can be used in order to submit the schedules and returns.

1. Schedule Types, Product Codes, & Mode of Transfer

a. Suppliers will use the following schedule types to report their transactions on their schedules

1) Schedule Type 5

a) Gallons delivered with tax collected

b) The following situations apply:

- Gallons withdrawn from pipeline(s) located within South Dakota
- Gallons withdrawn from pipeline(s) outside South Dakota with a South Dakota Destination on the bill-of-lading
- Gallons of 100 percent Ethyl Alcohol and Methyl Alcohol that was previously taxed.

2) Schedule Type 6a

a) Gallons sold tax exempt.

b) The following situations apply:

- Gallons withdrawn from pipeline(s) located in South Dakota and sold to licensed Exporters for an out of state destination
- Gallons of 100 percent ethyl alcohol and 100 percent methyl alcohol previously taxed

3) Schedule Type 8

a) Gallons sold to US Government tax exempt

4) Schedule Type 10

a) Type 10 is only used for K-1 Kerosene that is for nontaxable purposes such as heating.

b. A product code will be listed to show the type of fuel for each transaction. To view a product code guide please [click here](#).

c. A code will be listed to show the mode in which the fuel was transferred. To view a mode of transfer guide please [click here](#).

2. Upload File Containing Data (Method 1)

a. This method will allow you to report your transactions on a spreadsheet containing the required information that needs to be listed on the schedule.

b. For a visual guide on how to file using this method please [click here](#).

c. The EPath schedule can be created in Microsoft Excel

1) The file must be saved as either a **.csv** or **.txt** for EPath to recognize the data when the file is uploaded.

- a) You can use the [Schedule of Receipts and Disbursements Template](#) to complete your schedule or create your own.
- d. In order to upload your schedule please follow the steps below:
 - 1) When you log into your EPath account use the drop down options to select the license and period you wish to file for.
 - 2) Select "Upload File Containing Data"
 - 3) Click "Next"
 - 4) Upload your schedule
 - a) Click "Browse" to locate the file from your computer directory that you want to upload
 - b) Click "Add File"
 - c) Click Next
 - 5) If you get error messages, go directly to your schedule file on your computer, make the needed corrections, and save the file.
 - a) Go to the "File Preview" page
 - b) Click "Back"
 - c) Delete the file previously added on the "Data File Upload" page
 - d) Click "Browse" and upload the corrected EPath Schedule
 - e) Click "Add File"
 - f) Click "Next"
 - 6) Review your entries to ensure that everything is correct
 - 7) Click "View Printer Friendly Version" to print your return
 - a) **Please note:** You will not be able to print your return after you submit your return. In order to print please follow the steps below:
 - Right click your computer mouse and select "Print Preview"
 - Click "Shrink to fit" to fit the return to the paper
 - Click "Print"
 - Close the print screen once you have printed the form
 - 8) Click "Next"
 - 9) Click "Submit"
 - a) **Please note:** Clicking "Submit" will finalize the filing process. Make sure to look it over one last time.

3. Manual Data Entry (Method 2)

- a. This method will allow you to put each individual transaction into EPath one at a time.
- b. For a visual guide on how to file using this method please [click here](#).
- c. In order to input your schedule manually please follow the steps below:
 - 1) When you log into your EPath account use the drop down

options to select the license and period you wish to file for.

- 2) Select "Manual Data Entry"
- 3) Click "Next"
- 4) Enter the information from your records into each box and click "Save" after each entry.
 - a) If you check the "Clear form after updates" box this will clear the form to enter the next transaction
 - b) If you choose to select save you can continue entering your data and only change the boxes that have changed.
- 5) Click "Next"
- 6) Review your entries to ensure everything is correct
- 7) Click "View Printer Friendly Version"
 - a) **Please note:** You will not be able to print your return after you submit your return. In order to print please follow the steps below:
 - Right click your computer mouse and select "Print Preview"
 - Click "Shrink to fit" to fit the return to the paper
 - Click "Print"
 - Close the Print screen once you have printed the form
- 8) Click "Next"
- 9) Click "Submit"
 - a) **Please note:** Clicking "Submit" will finalize the filing process. Make sure to look it over one last time.

B. Filing a Paper Tax Return

1. **Suppliers are required to file their returns electronically unless authorized by the [Department](#) to file paper returns.**
 - a. For additional information regarding authorization to file paper returns please refer to [SDCL 10-47B-190](#).
2. A **Uniform Schedule of Disbursements** is required to be filed by Suppliers with each monthly tax return.
 - a. This schedule must show each individual transaction that takes place during the month.
 - b. State "Postal Abbreviations" are to be used when reporting Points of Origin and Destination.
 - c. Neither the titles "Unlisted" and/or "Unknown," nor the numbers "999999999" for Federal Identification Numbers (FEINs) are acceptable for identifying the Consignee listed on the Uniform Schedule of Disbursements (USOD) since the Supplier should know who is purchasing the fuel.
 - d. The fuel types are to be identified by the **FTA Product Codes** that are

listed at the beginning of this manual.

3. The paper tax return must be filed on the forms provided by the Department. To access this form you must contact the [Department](#).
 - a. [Uniform Schedule of Disbursements](#)
 - 1) More than one transaction can be listed on this schedule, even if the schedule type has changed.
 - b. To file a paper tax return and schedule please follow the steps below:
 - 1) Report total gallons withdrawn from pipeline(s) located within South Dakota
 - a) List these transactions as a Schedule Type 5 on your Schedule of Disbursements.
 - 2) Licensed Suppliers making sales from out of state terminals report total gallons of fuel withdrawn from pipeline(s) outside South Dakota with a South Dakota destination on the bill of lading
 - a) List these transactions as a Schedule Type 5 on your Schedule of Disbursements.
 - 3) Total sales
 - a) Add Lines 1 and 2
 - 4) Report total gallons withdrawn and sold to a U.S. Government entity directly from the pipeline(s)
 - a) List these transactions as a Schedule Type 8 on your Schedule of Disbursements.
 - 5) Report total gallons withdrawn from pipeline(s) located in South Dakota and sold to licensed Exporters for an out of state destination
 - a) List these transactions as a Schedule Type 6a on your Schedule of Disbursements.
 - 6) Report total gallons of 100 percent ethyl alcohol and 100 percent methyl alcohol previously taxed
 - a) List these transactions as a Schedule Type 6a on your Schedule of Disbursements.
 - 7) Report total gallons of K-1 kerosene sold for non-taxable purposes
 - a) List these transactions as a Schedule Type 10 on your Schedule of Disbursements
 - 8) Total credits
 - a) Add Lines 4, 5, 6 and 7
 - 9) Subtotal taxable gallons
 - a) Subtract Line 8 from Line 3
 - 10) Supplier Allowance
 - a) Multiply Line 9 by 2.25 percent if filing on time
 - 11) Total taxable gallons

- a) Subtract Line 10 from Line 9
- 12) Tax rates
- 13) Taxes due
 - a) Multiply Line 11 by Line 12
- 14) Total taxes due
 - a) Add Columns A through J on Line 13
- 15) Total gallons
 - a) Add Columns A through J on Line 9
- 16) Total gallons sold to U.S. government entities
 - a) Add Columns A through J on Line 4
- 17) Total gallons of Undyed K-1 kerosene
 - a) Column E Line 7
- 18) Subtotal Tank Inspection Fee gallons
 - a) Add Lines 15, 16 and 17
- 19) Tank Inspection Fee
 - a) Multiply Line 18 by \$.02
- 20) Total Taxes and Fees due
 - a) Add Lines 14 and 19
- 21) Interest and Penalty. Interest is calculated at 1.00 percent per month. First month is \$5 or 1.00 percent, whichever is greater. Penalty is calculated at 10 percent or \$10, whichever is greater, for filing a return late even if no tax is due.
- 22) Balance Due or Credit from prior reporting periods (See computer notice).
- 23) Total Taxes and Fees for this reporting period
 - a) Add Lines 20, 21 and add or subtract Line 22 (depending on balance due or credit).
- 24) Once all the needed documentation is completed please mail it to the address listed below:
 - a) Remittance Center
Motor Fuel Tax Returns
Mail Code 5055
Pierre, SD 57501-3100

Importer/Exporter (IX)

- A. An Importer is any person who purchases or owns [motor fuel](#) or [special fuel](#) in another state or country and transports or delivers or causes the fuel to be transported or delivered into South Dakota.
1. Importers must be licensed in South Dakota and are responsible for paying fuel tax to South Dakota on any fuel that enters the state by any means other than a pipeline, unless the South Dakota tax has already been collected and paid to the State by a licensed [Supplier](#) or licensed [Out of State Supplier](#). [SDCL 10-47B-61](#)
- B. An Exporter is any person that purchases or owns [motor fuel](#) or [special fuel](#) in South Dakota and transports or delivers or causes the fuel to be transported or delivered to another state or country.
1. Exporters must be licensed to do business in South Dakota. [SDCL 10-47B-59](#)
 - a. In order to obtain a South Dakota license, the Exporter must first be licensed to collect and remit taxes or deal in tax-exempt fuel in the state which they intend to [export](#) the fuel.
 2. By law, certain penalties may be assessed on individuals that [export](#) fuel from South Dakota without a valid Exporter license. Penalties will also be assessed on [Ethanol Brokers, Ethanol Producers, Suppliers](#) and [Bulk Plant Operators](#) that fail to collect and remit fuel excise tax and tank inspection fees on fuel products that they sell to a person who does not have a valid Exporter's license.
 3. If an Exporter purchases or acquires fuel at a South Dakota [terminal](#) and the bill of lading indicates a destination outside of South Dakota, fuel tax is not charged. However, if the Exporter later diverts the fuel back into South Dakota, they are required to remit fuel tax on that diversion. [SDCL 10-47B-10](#)
 - a. If an Exporter withdraws fuel from their bulk storage for [export](#) where South Dakota fuel tax has been paid, they will qualify for a credit on those taxes. [SDCL 10-47B-39](#)
- C. Fuel Tax Responsibilities
- a. **IMPORTER/EXPORTER** – responsible for paying taxes or applying for a refund of taxes that is caused by the diversion of fuel from the original destination listed on the bill of lading.
 - b. **SUPPLIER** – remits taxes to South Dakota based on the [destination state](#) information printed out on the bill of lading.

Required Records

- A. Importer/Exporters are to keep detailed records of all fuel transactions. Records are used to: [SDCL 10-47B-157](#)
1. Accurately complete tax returns;
 - a. Records are to be maintained at the place of business or delivery location at least 30 days;
 - b. Records may then be stored offsite; and
 - c. All records must be preserved for the current year and the three preceding calendar years
 2. Records must be presented to Department personnel if you are audited or have your records reviewed.
- B. Licensed Importers/Exporters must keep all sales and/or purchase invoices. A copy of the invoice must be maintained by both the seller and the purchaser. Invoices must be serially numbered and contain **ALL** of the following information: [SDCL 10-47B-159](#)
1. The seller's name and address.
 2. The selling **Supplier's** license number if the fuel is sold from a pipeline; or the selling **Marketer's** number if not sold from pipeline.
 3. The purchaser's name and address.
 4. The date of sale and delivery of the fuel.
 5. The number of **gallons** sold and delivered, the type of fuel, and if diesel whether or not it was dyed.
 6. The price charged per gallon of fuel;
 7. If charged, the amount of fuel tax or sales tax.
 - a. Fuel tax must either be listed separately or as a statement that the price per **gallon** includes the South Dakota fuel tax.
 8. The total amount of the sales invoice.
- C. Importers/Exporters must maintain shipping records that indicate the ultimate destination for all products.
1. These records must contain:
 - a. Copies of the bill of lading. The bill of lading must contain the following: [SDCL 10-47B-53](#)
 - 1) The **terminal** or **bulk plant** name and address.
 - 2) The date the fuel was withdrawn from the **terminal**.
 - 3) The name and address of the **Supplier**, Shipper, or owner of fuel within a **bulk plant** if withdrawn from a bulk plant.
 - 4) The name of the **Transporter** or Carrier.
 - 5) The **destination state**. A **Petroex** or similar number does not fulfill this requirement.
 - 6) The bill of lading number.
 - 7) The number of gross **gallons** of each type of fuel.

- 8) The type of fuel product transported.
 - 9) If the fuel contains [Ethyl Alcohol](#) or [Methyl Alcohol](#), the number of [gallons](#) of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of [gasoline](#) or the number of gallons of any other motor fuel that are contained therein;
 - 10) The name and address of the [Consignee](#).
 - 11) Any other information which the [Secretary](#) deems necessary for the administration and enforcement of this chapter.
- b. Drop load tickets for product delivered within South Dakota. The drop load ticket must contain the following: [SDCL 10-47B-55](#)
- 1) The [Transporter's](#) or Carrier's name and address;
 - 2) The date of delivery of the fuel;
 - 3) The drop load ticket number;
 - 4) The [destination state](#) on the original bill of lading, or diversion ticket, if issued;
 - 5) The original bill of lading, and if available, the diversion ticket number;
 - 6) The [destination state](#) of each location at which the fuel was off-loaded;
 - 7) The number of gross [gallons](#) off-loaded at each location;
 - 8) The type of fuel off-loaded at each location;
 - 9) If the fuel contains [ethyl alcohol](#) or [methyl alcohol](#), the number of [gallons](#) of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline or the number of gallons of any other motor fuel that are contained therein;
 - 10) Any other information which the [Secretary](#) deems necessary for the administration and enforcement of this chapter.
- c. Diversion tickets must be issued when the actual [destination state](#) differs from the destination indicated on the bill of lading. A diversion ticket must contain the following: [SDCL 10-47B-54](#)
- 1) The [Transporter's](#) or Carrier's name and address;
 - 2) The date and time the fuel was withdrawn from the [terminal](#);
 - 3) The diversion ticket number;
 - 4) The name and address of the [Supplier](#) or Shipper indicated on the original bill of lading or the owner of fuel within the [bulk plant](#) if withdrawn from a bulk plant;
 - 5) The [destination state](#);
 - 6) The bill of lading number;
 - 7) The [terminal](#) or [bulk plant](#) from which the product was withdrawn;
 - 8) The number of gross [gallons](#) for each fuel type being diverted;
 - 9) The type of fuel being diverted;
 - 10) If the fuel contains [ethyl alcohol](#) or [methyl alcohol](#), the number of [gallons](#) of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of gasoline or the number of gallons of any other motor fuel that are contained therein;
 - 11) Any other information which the [Secretary](#) deems necessary for the administration and enforcement of this chapter.
- d. Invoices when delivered by [tank wagon](#) loads.

2. Documentation Requirements for Ethanol and Methanol blends

- a. If an **Importer** transports an ethanol or methanol blend into South Dakota, the drop load ticket and/or diversion ticket must list the alcohol **gallons** and gasoline gallons separately. [SDCL 10-47B-53\(9\)](#)
 - b. If an **Exporter** transports an ethanol or methanol blend out of South Dakota, the bill of lading, drop load ticket, and/or diversion ticket must also list the alcohol **gallons** and gasoline gallons separately. [SDCL 10-47B-53\(9\)](#)
- D. The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. The Department may also require the reporting of any information reasonably necessary to determine the amount of fuel excise tax due. [SDCL 10-47B-160](#)

Fuel Taxes and Monthly Returns

- A. All fuel tax payments must be remitted to the [Department](#) by electronic transfer and received on or before the twenty fifth day of the month following each monthly period. [SDCL 10-47B-29](#)
1. For more information regarding fuel tax returns and payment due dates please refer to our [Motor Fuel FAQ](#)
 2. Selling Ethanol and Methanol Blends
 - a. [Ethyl Alcohol](#) and [Methyl Alcohol](#) are taxed at the rate of 14 cents per [gallon](#) plus the two cents per gallon Tank Inspection Fee. [SDCL 10-47B-4.3](#)
 - b. These products are now taxed because of the various levels of [ethanol blends](#) now being produced in the industry.
 - 1) If an [Importer](#) transports an ethanol or methanol blend into South Dakota, the drop load ticket and/or diversion ticket must list the alcohol [gallons](#) and gasoline gallons separately. [SDCL 10-47B-53\(9\)](#)
 - 2) If an [Exporter](#) transports an ethanol or methanol blend out of South Dakota, the bill of lading, drop load ticket, and/or diversion ticket must also list the alcohol [gallons](#) and gasoline gallons separately. [SDCL 10-47B-53\(9\)](#)
 - 3) The components of methanol and [ethanol blends](#) are also to be listed separately on the [Importer/Exporter tax-return](#) and Uniform EPath Schedule.
- B. Importer/Exporter's must file a monthly electronic return that contains information from the previous month using [EPath](#). The return must be submitted on or before the twentieth day of the month. [SDCL 10-47B-95](#) & [SDCL 10-47B-104](#)
1. Filing tax returns electronically by the twentieth day means days that are not Saturdays, Sundays, legal holidays, and days that the Federal Reserve Bank is closed. [SDCL 10-47B-96](#) & [SDCL 10-47B-105](#)
 2. All fuel transactions must be reported, and taxes paid to South Dakota or credits claimed during the period in which they occur. Prior period adjustments are not allowed.
 - a. For example: if a sale of fuel takes place on July 31st the Importer/Exporter cannot delay reporting that transaction until the August or September reporting period. The transaction must be reported on the July tax return.
 - b. If a transaction occurs at the end of the month and is not reported on that month's tax return, the Importer/Exporter is to amend the tax return and report the additional transaction on it.
 - 1) If a paper return was filed the return must be amended on paper and if an electronic return was filed it must be amended online using EPath unless the return has already been electronically amended before.
 - a) For more information on amending returns please refer to the [Amending Returns](#) section of the manual.
 3. The [EPath Schedule](#) will be used to compile Importer/Exporter returns unless they are [authorized by the Department](#) to file paper return. The schedule will contain:
 - a. Imported Transactions: [SDCL 10-47B-97](#)

- 1) All gallons purchased from an out-of-state supplier that were imported into South Dakota
 - a) The bill-of-lading must indicate South Dakota as the destination state.
 - b) The schedule must list the names and address of all customers on off-loading locations.
 - b. Exported Transactions: [SDCL 10-47B-106](#)
 - 1) All gallons of fuel loaded in this state from a location other than a [terminal](#) for delivery outside of South Dakota.
 - 2) All gallons of fuel purchased from a Supplier at a South Dakota terminal and delivered to another state or country.
 - 3) All gallons of fuel where bill-of-lading originally listed a destination state other than South Dakota, but it was later diverted to South Dakota.
 - 4) All gallons of fuel where the bill-of-lading listed the destination state as South Dakota, but it was later diverted to another state for off-loading.
 - c. For more information on how to file the EPath Schedule and Importer/Exporter Tax Return please refer to the [Importer/Exporter Tax Return Instructions](#) section.
- C. A licensed Importer/Exporter who reports and pays taxes on time may retain 1.5 percent of the fuel tax due on each gallon. [SDCL 10-47B-34](#) & [SDCL 10-47B-38](#)
1. **No allowance will be paid for fuel exported from South Dakota.**
- D. An Importer/Exporter may apply for a refund for taxes paid to this state on motor fuel and undyed special fuel under the following conditions: [SDCL 10-47B-125](#)
1. Fuel loaded at a [bulk plant](#) in South Dakota and [exported](#);
 2. Fuel loaded at a [terminal](#) in this state listing South Dakota as the [destination state](#) but then diverted to another state;
 3. Fuel withdrawn from an out-of-state terminal, listing South Dakota as the destination state that was purchased from a licensed [Supplier](#), but then diverted to another state;
 4. Fuel purchased from a licensed [Supplier](#) listing South Dakota as the [destination state](#), but then diverted to another state.
 5. [Ethyl Alcohol](#) loaded at an [Ethanol Producer's](#) plant in this state listing South Dakota as the [destination state](#) , but then diverted to another state.

Tax Return Instructions

- A. Importer/Exporters file their tax returns electronically using [EPath](#). There are two different methods that can be used in order to submit the schedules and returns.
1. Schedule Types, Product Codes, and Mode of Transfer
 - a. Importer/Exporters will use the following schedule types to report their transactions
 - 1) Schedule Type 1A
 - a) Gallons received, originating state tax paid
 1. Gallons of fuel imported by means other than a pipeline into South Dakota
 2. Gallons of fuel imported that were purchased from a licensed South Dakota Supplier at an out of state terminal with South Dakota taxes paid
 - 2) Schedule Type 2A
 - a) Gallons received from terminals, refineries, or distributors, origin tax-unpaid
 1. Gallons of fuel imported by means other than a pipeline into South Dakota
 - 3) Schedule Type 2B
 - a) Gallons received tax-unpaid, bendable stock
 1. Gallons of dyed or undyed Biodiesel purchased by a licensed Blender with tax unpaid.
 - 4) Schedule Type 2C
 - a) Gallons received imported, tax-unpaid diversion
 1. Gallons pulled from a South Dakota pipeline with an original destination outside South Dakota but then diverted back into South Dakota.
 - 5) Schedule Type 5
 - a) Gallons delivered with the tax collected
 1. Gallons of fuel pulled from a pipeline in South Dakota or purchased from a licensed South Dakota Supplier at an out of state terminal, with South Dakota taxes paid which were directed to a state other than South Dakota.
 - 6) Schedule Type 7
 - a) Gallons exported out of state
 1. Exported gallons with tax unpaid
 - 7) Schedule Type 7B
 - a) Gallons sold for export, originating state tax paid
 1. Total gallons of fuel withdrawn from your bulk storage and exported out of South Dakota by means other than a pipeline.

8) Schedule Type 10

- a) Type 10 is only used for K-1 Kerosene that is for nontaxable purposes such as heating.
- b. A product code will be listed to show the type of fuel for each transaction. To view a product code guide please [click here](#).
- c. A code will be listed to show the mode in which the fuel was transferred. To view a mode of transfer guide please [click here](#).

2. Upload File Containing Data (Method 1)

- a. This method will allow you to enter in a spreadsheet containing the required information that needed to be listed on the schedule.
- b. For a visual guide on how to file using this method please [click here](#).
- c. The EPath schedule can be created in Microsoft Excel and saved as a .csv or .txt file.
 - 1) The file must be saved as either a **.csv** or **.txt** for EPath to recognize the data when the file is uploaded.
 - a) You can use the [Schedule of Receipts and Disbursements Template](#) to complete your schedule or create your own.
- d. In order to upload your schedule please follow the steps below:
 - 1) When you log into your EPath account use the drop down options to select the license and period you wish to file for.
 - 2) Select "Upload File Containing Data"
 - 3) Click "Next"
 - 4) Upload your schedule
 - a) Click "Browse" to locate the file from your computer directory that you want to upload
 - b) Click "Add File"
 - c) Click Next
 - 5) If you get error messages, go directly to your schedule file on your computer, make the needed corrections, and save the file.
 - a) Go to the "File Preview" page
 - b) Click "Back"
 - c) Delete the file previously added on the "Data File Upload" page
 - d) Click "Browse" and upload the corrected EPath Schedule
 - e) Click "Add File"
 - f) Click "Next"
 - 6) Review your entries to ensure that everything is correct
 - 7) Click "View Printer Friendly Version" to print your return
 - a) **Please note:** You will not be able to print your return after you submit your return. In order to print please follow the steps below:
 - Right click your computer mouse and select "Print Preview"
 - Click "Shrink to fit" to fit the return to the paper

- Click "Print"
 - Close the print screen once you have printed the form
- 8) Click "Next"
 - 9) Click "Submit"
 - a) **Please note:** Clicking "Submit" will finalize the filing process. Make sure to look it over one last time.
3. Manual Data Entry (Method 2)
- a. This method will allow you to put each individual transaction into EPath one at a time.
 - b. For a visual guide on how to file using this method please [click here](#).
 - c. In order to upload your schedule manually please follow the steps below:
 - 1) When you log into your EPath account use the drop down options to select the license and period you wish to file for.
 - 2) Select "Manual Data Entry"
 - 3) Click "Next"
 - 4) Enter the information from your schedule into each box and click "Save" after each entry.
 - a) If you check the "Clear form after updates" box this will clear the form to enter the next transaction
 - 5) Click "Next"
 - 6) Review your entries to ensure everything is correct
 - 7) Click "View Printer Friendly Version"
 - a) **Please note:** You will not be able to print your return after you submit your return. In order to print please follow the steps below:
 - Right click your computer mouse and select "Print Preview"
 - Click "Shrink to fit" to fit the return to the paper
 - Click "Print"
 - Close the Print screen once you have printed the form
 - 8) Click "Next"
 - 9) Click "Submit"
 - a) **Please note:** Clicking "Submit" will finalize the filing process. Make sure to look it over one last time.

B. Filing a Paper Tax Return

1. **Importer/Exporters are required to file their returns electronically unless authorized by the [Department](#) to file paper returns.**
 - a. For additional information regarding authorization to file paper returns please refer to [SDCL 10-47B-190](#).
2. A **Uniform Schedule of Receipts** is required to be filed by Importer/Exporters with each monthly tax return.

- a. This schedule is used to show fuel products that are imported into the state for sale, use, or storage.
 - b. The **only** Schedule Types that are to be entered on this form are Schedule Type 1a, for gallons imported on a tax-paid basis and Schedule Type 2a, for gallons imported on a tax-unpaid basis.
3. A **Uniform Schedule of Disbursements** is also required to be filed by Importer/Exporters with each monthly return.
 - a. This Schedule is used to show fuel products that are pulled from a South Dakota terminal or bulk plant for sale in-state or for export from the state.
 - b. There are many Schedule Types that are identified on this form.
4. The paper tax return must be filed on the forms provided by the Department. To access this form you must contact the **Department**.
 - a. **Uniform Schedule of Receipts**
 - 1) More than one transaction can be listed on this schedule, even if the schedule type has changed.
 - b. **Uniform Schedule of Disbursements**
 - 1) More than one transaction can be listed on this schedule, even if the schedule type has changed.
 - c. To file a paper tax return and schedule please follow the steps below:
 - 1) Report total gallons of fuel imported by means other than a pipeline into South Dakota
 - a) Attach Uniform Schedule of Receipts
 - b) Schedule Type 1a (Tax Paid) or 2a (Tax Unpaid)
 - 2) Report total gallons of fuel pulled from a South Dakota pipeline with an original destination outside South Dakota but then diverted back into South Dakota
 - a) Attach Uniform Schedule of Receipts.
 - b) Schedule Type 2c
 - 3) Total gallons
 - a) Add Lines 1 and 2
 - 4) Report total gallons of fuel imported that were purchased from a licensed South Dakota Supplier at an out of state terminal, with South Dakota taxes already paid
 - a) Attach Uniform Schedule of Receipts.
 - b) Schedule Type 1a
 - 5) Report total gallons of fuel withdrawn from your bulk storage and exported out of South Dakota by means other than pipeline
 - a) Attach Uniform Schedule of Receipts.
 - b) Schedule Type 7B
 - 6) Report total gallons of K-1 kerosene sold for non-taxable purposes
 - a) Attach Uniform Schedule of Receipts.
 - b) Schedule Type 10
 - 7) Report total gallons of dyed or undyed Biodiesel purchased by a

licensed blender, tax unpaid.

- a) Attach Uniform Schedule of Receipts.
- b) Schedule Type 2B
- 8) Report total gallons of fuel pulled from a pipeline in South Dakota or purchased from a licensed South Dakota Supplier at an out of state terminal, with South Dakota taxes paid which were directed to a state other than South Dakota.
 - a) Attach Uniform Schedule of Disbursements
 - b) Schedule Type 5
- 9) Total Credits
 - a) Add lines 4, 5, 6, 7, & 8
- 10) Enter all Tax Unpaid Exports
 - a) Attach Uniform Schedule of Disbursements
 - b) Schedule Type 7
- 11) Tax Computation Subtotal Taxable Gallons
 - a) Subtract Line 9 from Line 3
- 12) Allowance of 1.5% (if filing on time)
 - a) Multiply Line 11 by 0.015
- 13) Total Taxable Gallons
 - a) Subtract Line 12 from Line 11
- 14) Tax Rates.
- 15) Taxes Due
 - a) Multiply Line 13 by Line 14
- 16) Total Taxes Due
 - a) Add A-J on Line 15
- 17) Total gallons
 - a) Line 11 Columns A-J and Line 6 Column E.
- 18) Tank Inspection Fee
 - a) Multiply Line 17 by \$0.02
- 19) Grand Total of taxes and TI Fees due
 - a) Add Lines 16 & 18
- 20) Interest & Penalty if filing after due date. Interest is calculated at 1.00 percent per month. First month is \$5 or 1.00 percent, whichever is greater. Penalty is calculated at 10 percent or \$10, whichever is greater, for filing a return late even if no tax is due.
- 21) Balance Due or Credit From Prior Reporting Period (See computer notice).
- 22) Grand total
 - a) Add Lines 19 & 20, and add or subtract Line 21 (Depending on balance or credit)
- 23) Once all the needed documentation is completed please mail it to

the address listed below:

- a) Remittance Center
Motor Fuel Tax Returns
Mail Code 5055
Pierre, SD 57501-3100

Transporter (Carrier) (TR)

- A. A Transporter is a person who engages in the activity of interstate or intrastate movement of fuel by transport truck, rail car, or other means in quantities greater than 4,200 gallons.
1. **Transport Trucks** are defined as vehicles or rail cars designed to transport bulk fuel shipments in excess of 4,200 gallons.
 2. **Tank Wagons** are vehicles designed to transport bulk fuel shipments of 4,200 gallons or less.
 - a. Tank wagon operators are not required to be licensed as Transporters.
 3. Transporters do not include those who transport fuel by pipeline or barge.
- B. Any person desiring to perform the duties of a Transporter within this state must become licensed as a Transporter. [SDCL 10-47B-60](#)
- C. Fuel Tax Responsibilities and Transporter Reports
1. Transporters do not have tax-remitting responsibilities. However, they are responsible for maintaining the proper documentation for every fuel destination.
 2. Transporter Report
 - a. A report may be filed and must be submitted if requested by the Department. To access this form you must contact the **Department**. [SDCL 10-47B-110](#)
 - b. The report must list all fuel shipments involving South Dakota as the origin or **Destination State**.
 - c. Report Instructions
 - 1) Indicate your Company Information and license number at the top of the form.
 - 2) List the Schedule Type that pertains to your delivery
 - a) Schedule Type 1b
 - Deliveries of fuel from in-state locations to outside South Dakota (exports)
 - b) Schedule Type 2b
 - Deliveries of fuel from out-of-state locations to inside South Dakota (imports)
 - 3) List the Person hiring the carrier
 - 4) List the Person hiring the carriers' FEIN
 - 5) List the seller of the fuel
 - 6) List the seller's FEIN
 - 7) List the **Mode of Transfer** for this delivery
 - 8) List the state abbreviation that the product originated from (ex: SD)
 - 9) List the name of the customer the fuel was delivered to
 - 10) List the address the fuel was delivered to
 - 11) List the purchaser's FEIN
 - 12) List the date the fuel was delivered
 - 13) List the Manifest Number/Document Number

- 14) Report the gross gallons delivered
- 15) Report the **product type** that was used
- 16) Complete and submit the report to either the email or address listed below.
 - a) Email- sdmotorfuel@state.sd.us
 - Subject Line- TR Report (Period/Year)
 - b) South Dakota Department of Revenue
Motor Vehicle Division - Motor Fuel Tax
445 E. Capitol Avenue
Pierre, SD 57501

Required Records

- A. Even though Transporters are not required to submit reports unless required by the [Department](#) they must maintain a log of all fuel deliveries.
1. While transporting fuel, a bill of lading, drop load ticket, and/or diversion ticket showing the destination for each load of fuel must be on board their trucks. [SDCL 10-47B-44](#)
 2. They must also provide a copy of these documents to the person that receives the delivered fuel. [SDCL 10-47B-46](#)
 3. Time Retention of Records
 - a. Records are to be maintained at the place of business or delivery location at least 30 days;
 - b. Records may then be stored offsite; and
 - c. All records must be preserved for the current year and the three preceding calendar years
 4. Records must be presented to Department personnel if you are audited or have your records reviewed.
- B. Transporters must maintain all fuel shipping documents in their records.
1. These records must contain:
 - a. The bill of lading which must contain the following: [SDCL 10-47B-53](#)
 - 1) The [terminal](#) or [bulk plant](#) name and address;
 - 2) The date the fuel was withdrawn from the [terminal](#) or [bulk plant](#);
 - 3) The name and address of the [Supplier](#), Shipper, or owner of fuel within a [bulk plant](#) if withdrawn from a [bulk plant](#);
 - 4) The name of the [Transporter](#) or Carrier;
 - 5) The [destination state](#). A [Petroex](#) or similar number does not fulfill this requirement;
 - 6) The bill of lading number;
 - 7) The number of gross [gallons](#) of each type of fuel;
 - 8) The type of fuel product transported;
 - 9) If the fuel contains [Ethyl Alcohol](#) or [Methyl Alcohol](#), the number of [gallons](#) of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of [gasoline](#) or the number of gallons of any other [motor fuel](#) that are contained therein;
 - 10) The name and address of the [Consignee](#); and
 - 11) Any other information which the [Secretary](#) deems necessary for the administration and enforcement of this chapter.
 - b. If a Transporter must deliver partial loads of fuel to several customers a drop load ticket for each customer delivery must be issued. The drop load ticket must contain the following: [SDCL 10-47B-55](#)

- 1) The [Transporter's](#) or Carrier's name and address;
 - 2) The date of delivery of the fuel;
 - 3) The drop load ticket number;
 - 4) The [destination state](#) on the original bill of lading, or diversion ticket, if issued;
 - 5) The original bill of lading, and if available, the diversion ticket number;
 - 6) The [destination state](#) of each location at which the fuel was off-loaded;
 - 7) The number of gross [gallons](#) off-loaded at each location;
 - 8) The type of fuel off-loaded at each location;
 - 9) If the fuel contains [Ethyl Alcohol](#) or [Methyl Alcohol](#), the number of [gallons](#) of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of [gasoline](#) or the number of gallons of any other [motor fuel](#) that are contained therein;
 - 10) Any other information which the [Secretary](#) deems necessary for the administration and enforcement of this chapter.
- c. When a Transporter is required to divert a load of fuel to another state not specified as the [destination state](#) on the bill of lading, the Transporter must issue a diversion ticket. The diversion ticket must contain the following: [SDCL 10-47B-54](#)
- 1) The [Transporter's](#) or Carrier's name and address;
 - 2) The date and time the fuel was withdrawn from the [terminal](#);
 - 3) The diversion ticket number;
 - 4) The name and address of the [Supplier](#) or Shipper indicated on the original bill of lading or the owner of fuel within the [bulk plant](#) if withdrawn from a [bulk plant](#);
 - 5) The [destination state](#);
 - 6) The bill of lading number;
 - 7) The [terminal](#) or [bulk plant](#) from which the product was withdrawn;
 - 8) The number of gross [gallons](#) for each fuel type being diverted;
 - 9) The type of fuel being diverted;
 - 10) If the fuel contains [Ethyl Alcohol](#) or [Methyl Alcohol](#), the number of [gallons](#) of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of [gasoline](#) or the number of gallons of any other [motor fuel](#) that are contained therein;
 - 11) Any other information which the [Secretary](#) deems necessary for the administration and enforcement of this chapter.
 - 12) The diversion ticket or a copy thereof must be provided to the Department in a manner required by the department before the shipment is diverted. The diversion ticket or copy thereof must also accompany the bill of lading that is given to the bulk plant operator, wholesale distributor, retail dealer, or end consumer taking delivery of the fuel. [SDCL 10-47B-49](#)

- C. The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and

banking records. [SDCL 10-47B-160](#)

Bulk Plant Operator (BK)

- A. A Bulk Plant Operator is a person who has responsibility and physical control over the operation of a bulk plant.
1. A **bulk plant** is a fuel storage facility, other than a **terminal**, that is primarily used for the redistribution of fuel by **transport truck**, **tank wagon**, or rail car.
 2. Any person in South Dakota that operates a **bulk plant** must first obtain a Bulk Plant Operator's license for each location. [SDCL 10-47B-68](#)
- B. Ethanol and Methanol Blends
1. If a Bulk Plant Operator sells an **Ethanol Blend** or Methanol Blend, the bill of lading and the invoice must list the alcohol gallons and **gasoline** gallons separately. [SDCL 10-47B-6](#)
 - a. **Ethyl Alcohol** and **Methyl Alcohol** are taxed at the rate of 14 cents per gallon plus the .02 cents per gallon **Tank Inspection Fee**.
 2. These products are now taxed because of the various levels of **ethanol blends** now being seen in the industry. [SDCL 10-47B-4.3](#)
- C. Bulk Plant Operators are responsible for preparing and providing a bill of lading/bulk plant ticket to every vehicle that is removing **motor fuel** or **special fuel** from the **bulk plant**. [SDCL 10-47B-43](#)
1. The bill of lading must clearly show the **destination state** named by the **Transporter** or their agent.
 - a. **Tank Wagons** removing fuel for delivery to an end consumer do not need to be issued a bill of lading. [10-47B-52](#)
 2. Fuel products delivered to the facility without a bill of lading, diversion ticket, and/or drop load ticket listing South Dakota as the **destination state cannot** be accepted. [SDCL 10-47B-48](#)

Required Records

- A. Bulk Plant Operators are to keep detailed records of all fuel transactions and in some cases, of fuel usage. Records are used to: [SDCL 10-47B-47](#), & [SDCL 10-47B-157](#)
1. Accurately complete monthly reports:
 - a. Records are to be maintained at the place of business or delivery location at least 30 days;
 - b. Records may then be stored offsite; and
 - c. All records must be preserved for the current year and the three preceding calendar years
 2. Records must be presented to Department personnel if you are audited or have your records reviewed.
- B. Bulk Plant Operators must keep all sales and or purchase invoices. A copy of the invoice must be maintained in the records of both the seller and the purchaser. Invoices must be serially numbered and contain **ALL** of the following information: [SDCL 10-47B-159](#)
1. The seller's name and address.
 2. The selling [Supplier's](#) license number if the fuel is sold from a pipeline; or the selling [Marketer's](#) number if not sold from pipeline.
 3. The purchaser's name and address.
 4. The date of sale and delivery of the fuel.
 5. The number of [gallons](#) sold and delivered, the type of fuel, and if diesel whether or not it was dyed.
 6. The price charged per gallon of fuel;
 7. If charged, the amount of fuel tax or sales tax.
 - a. Fuel tax must either be listed separately or as a statement that the price per [gallon](#) includes the South Dakota fuel tax.
 8. The total amount of the sales invoice.
- C. Bulk Plant Operators must maintain all fuel delivery documents in their records.
1. These records must contain:
 - a. Copies of the bill of lading. The bill of lading must contain the following: [SDCL 10-47B-53](#)
 - 1) The [terminal](#) or [bulk plant](#) name and address;
 - 2) The date the fuel was withdrawn from the [terminal](#) or [bulk plant](#);
 - 3) The name and address of the [Supplier](#), Shipper, or owner of fuel within a [bulk plant](#) if withdrawn from a [bulk plant](#);
 - 4) The name of the [Transporter](#) or Carrier;
 - 5) The [destination state](#). A [Petroex](#) or similar number does not fulfill this requirement;

- 6) The bill of lading number;
 - 7) The number of gross [gallons](#) of each type of fuel;
 - 8) The type of fuel product transported;
 - 9) If the fuel contains [Ethyl Alcohol](#) or [Methyl Alcohol](#), the number of [gallons](#) of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of [gasoline](#) or the number of gallons of any other [motor fuel](#) that are contained therein;
 - 10) The name and address of the [Consignee](#); and
 - 11) Any other information which the [Secretary](#) deems necessary for the administration and enforcement of this chapter.
- b. Drop load tickets for product delivered within South Dakota. The drop load ticket must contain the following: [SDCL 10-47B-55](#)
- 1) The [Transporter's](#) or Carrier's name and address;
 - 2) The date of delivery of the fuel;
 - 3) The drop load ticket number;
 - 4) The [destination state](#) on the original bill of lading, or diversion ticket, if issued;
 - 5) The original bill of lading, and if available, the diversion ticket number;
 - 6) The [destination state](#) of each location at which the fuel was off-loaded;
 - 7) The number of gross [gallons](#) off-loaded at each location;
 - 8) The type of fuel off-loaded at each location;
 - 9) If the fuel contains [Ethyl Alcohol](#) or [Methyl Alcohol](#), the number of [gallons](#) of ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of [gasoline](#) or the number of gallons of any other [motor fuel](#) that are contained therein;
 - 10) Any other information which the [Secretary](#) deems necessary for the administration and enforcement of this chapter.
- c. Diversion tickets must be issued when the actual [destination state](#) differs from the destination indicated on the bill of lading. A diversion ticket must contain the following: [SDCL 10-47B-54](#)
- 1) The [Transporter's](#) or Carrier's name and address;
 - 2) The date and time the fuel was withdrawn from the [terminal](#);
 - 3) The diversion ticket number;
 - 4) The name and address of the [Supplier](#) or Shipper indicated on the original bill of lading or the owner of fuel within the [bulk plant](#) if withdrawn from a bulk plant;
 - 5) The [destination state](#);
 - 6) The bill of lading number;
 - 7) The [terminal](#) or [bulk plant](#) from which the product was withdrawn;
 - 8) The number of gross [gallons](#) for each fuel type being diverted;
 - 9) The type of fuel being diverted;
 - 10) If the fuel contains [Ethyl Alcohol](#) or [Methyl Alcohol](#), the number of [gallons](#) of

ethyl alcohol, the number of gallons of methyl alcohol, the number of gallons of [gasoline](#) or the number of gallons of any other [motor fuel](#) that are contained therein;

- 11) Any other information which the [Secretary](#) deems necessary for the administration and enforcement of this chapter.

2. Ethanol and Methanol Blends

- a. If a Bulk Plant Operator sells an [Ethanol Blend](#) or Methanol Blend, the bill of lading and the invoice must list the alcohol gallons and [gasoline](#) gallons separately. [SDCL 10-47B-6](#)
 - 1) [Ethyl Alcohol](#) and [Methyl Alcohol](#) are taxed at the rate of 14 cents per gallon plus the .02 cents per gallon [Tank Inspection Fee](#).
 - 2) These products are now taxed because of the various levels of [ethanol blends](#) now being seen in the industry. [SDCL 10-47B-4.3](#)

D. Bulk Plant Operators are required to keep fuel receipt and disbursement records.

E. The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including inventory records, storage tank measurements, meter reading, journals, ledgers, payment records and banking records. [SDCL 10-47B-160](#)

Reporting Schedule

A. Monthly Reports

1. Bulk Plant Operators must file a monthly report that contains information from the previous month. The report must be filed on or before the twentieth day of the month following the month in which the transactions took place. This means days that are not Saturdays, Sundays, legal holidays, and days that the Federal Reserve Bank is closed [SDCL 10-47B-101](#) & [SDCL 10-47B-102](#)
 - a. For example, a Bulk Plant Operator would submit a report detailing all transactions conducted in September by October 20th.
2. The report should include transactions where **transport trucks** and/or railcars were loaded at the facility as well as copies of all bill-of-ladings issued by the bulk plant. [SDCL 10-47B-103](#)
 - a. A computer generated bill-of-lading information will be accepted upon approval from the [Department](#).
3. Bulk Plant Operator Monthly Report
 - a. A report may be filed and must be submitted if requested by the Department. To access this form you must contact the [Department](#). [SDCL 10-47B-110](#)
 - b. The monthly report should provide the following information:
 - 1) The name and license number of all customers purchasing fuel;
 - 2) All **gallons** pulled by each customer during the month (report in whole gross gallons only) These include:
 - a) Gallons withdrawn with a destination in SD
 - b) Gallons withdrawn with a destination outside SD
 - 3) The total gallons withdrawn by each customer.
 - 4) The total gallons withdrawn by all customers with a destination in South Dakota
 - 5) The total gallons withdrawn by all customers with a destination outside SD
 - 6) Total of all gallons withdrawn by all customers for the reporting period.
 - 7) Copies of all bills of ladings that have been issued by the bulk-plant or computer- generated bill of lading information which has been approved by the [Department](#).
 - 8) Duplicate entries are not to be entered on the report.
 - 9) Complete and submit the report to either the email or address listed below.
 - a) Email- sdmotorfuel@state.sd.us
 - Subject Line- BK Report (Period/Year)
 - b) South Dakota Department of Revenue
Motor Vehicle Division - Motor Fuel Tax
445 E. Capitol Avenue
Pierre, SD 57501

Ethanol Producer (EP)

- A. An Ethanol Producer is any person who engages in the business of producing [Ethyl Alcohol](#) for sale, use, or distribution.
 - 1. [Ethyl Alcohol](#) is a motor fuel typically derived from agricultural products that have been denatured.
 - 2. All Ethanol Producers that sell, use, or distribute [Ethyl Alcohol](#) in South Dakota must be licensed. [SDCL 10-47B-67](#)
- B. The majority of Ethanol Producers in South Dakota have a company that also markets the [Ethyl Alcohol](#).
 - 1. The marketing company purchases the [Ethyl Alcohol](#) from the Ethanol Producer and resells it.
 - a. This company will need to obtain an [Ethanol Broker's](#) License.
 - 2. Ethanol or Methanol Blends
 - a. An [Ethanol blend](#) is defined as a blended motor fuel containing ethyl alcohol of at least ninety- eight percent purity, typically derived from agricultural products which are blended exclusively with a product commonly or commercially know or sold as gasoline.
 - 1) The blending of casinghead is not permitted in an ethanol blend fuel product in quantities larger than required to denature the alcohol. [SDCL 10-47B-3.1](#)

Required Records

- A. Ethanol Producers are to keep detailed records of all fuel transactions and deliveries. Records are used to: [SDCL 10-47B-157](#)
1. Accurately complete tax returns;
 - a. Records are to be maintained at the place of business or delivery location at least 30 days;
 - b. Records may then be stored offsite; and
 - c. All records must be preserved for the current year and the three preceding calendar years
 2. Records must be presented to Department personnel if you are audited or have your records reviewed.
- B. Ethanol Producers must also maintain shipping records that indicate the [destination state](#) for all products sold. The [Consignee](#) must also be identified on all bills of lading.
1. The titles "Unlisted" and/or "Unknown" are not acceptable names for the [Consignee](#) listed on the bill of lading, since the [Supplier](#) should know who is purchasing the fuel.
 2. If a shipment is going to multiple locations in a state, the title "Various" may be used on the bill of lading to identify destination cities, but the titles "Unlisted" and/or "Unknown" are not acceptable.
 3. Bill-of-ladings must be kept in their original format, through film retrieval, or electronic media.
- A. Ethanol Producers must keep all sales and or purchase invoices. A copy of the invoice must be maintained by both the seller and the purchaser. [SDCL 10-47B-159](#)
1. These invoices must be kept in either their original format, through film retrieval or electronic media and must contain **ALL** of the following information:
 - a. The seller's name and address.
 - b. The selling [Supplier's](#) license number if the fuel is sold from a pipeline; or the selling [Marketer's](#) number if not sold from pipeline.
 - c. The purchaser's name and address.
 - d. The date of sale and delivery of the fuel.
 - e. The number of [gallons](#) sold and delivered, the type of fuel, and if diesel whether or not it was dyed.
 - f. The price charged per gallon of fuel;
 - g. If charged, the amount of fuel tax or sales tax.
 - 1) Fuel tax must either be listed separately or as a statement that the price per [gallon](#) includes the South Dakota fuel tax.
 - h. The total amount of the sales invoice.
 2. If an Ethanol Producer sells an [ethanol blend](#) or methanol blend, the bill-of-lading and the invoice must list the alcohol gallons and gasoline gallons separately.
 - a. [Ethyl Alcohol](#) and [Methyl Alcohol](#) are taxed at the rate of 14 cents per gallon plus the \$.02 cents per gallon [Tank Inspection Fee](#). [SDCL 10-47B-4.3](#)
 - 1) These products are now taxed because of the various levels of ethanol blends now produced in the industry.

- B. Ethanol Producers are required to maintain inventory records that show **ALL** of the following:
1. The total **gallons** on hand at the beginning of the month.
 2. The total **gallons** produced during the month.
 3. The total **gallons** sold during the month
 4. The total **gallons** remaining in storage at the end of the month.
- C. Ethanol Producers must keep records that show: [SDCL 10-47B-157](#)
1. The total number of **Ethyl Alcohol** gallons produced out-of-state each month.
 2. Total **gallons** of natural **Gasoline** and/or Gasoline used to denature the alcohol.
 - a. The Ethanol Producer may denature alcohol by adding **gasoline** or natural gasoline to it in amounts equal to at least 5 gallons of gasoline for each 95 gallons of alcohol.
 - 1) Prior to its use, written notice must be received and approved by the Secretary to denature alcohol by any other method commonly used in the industry. [SDCL 10-47B-166](#)
 - b. All alcohol must be denatured **prior** to being loaded into a delivery vehicle for an in-state sale.
- D. The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. [SDCL 10-47B-160](#)

Fuel Taxes and Monthly Returns

- A. All fuel tax payments must be remitted to the [Department](#) by electronic transfer and received on or before the twenty fifth day of the month following each monthly period. [SDCL 10-47B-29](#)
1. For more information regarding fuel tax returns and payment due dates please refer to our [Motor Fuel FAQ](#)
 2. They are required to collect taxes and [TI Fees](#) for [Ethyl Alcohol](#) that they sell unless the Ethyl Alcohol is sold to a licensed [Ethanol Broker](#) or to a licensed [Exporter](#) for [export](#).
- B. Ethanol Producers must file a monthly electronic return that contains information from the previous month using [EPath](#). The return must be submitted on or before the twentieth day of the month. This means days that are not Saturdays, Sundays, legal holidays, and days that the Federal Reserve Bank is closed. [SDCL 10-47B-115.1](#)
1. All fuel transactions must be reported, and taxes paid to South Dakota or credits claimed during the period in which they occur. Prior period adjustments are not allowed.
 - a. For example: if a sale of fuel takes place on July 31st the Ethanol Producer cannot delay reporting that transaction until the August or September reporting period. The transaction must be reported on the July tax return.
 - b. If a transaction occurs at the end of the month and is not reported on that month's tax return in error, the Ethanol Producer is to amend the tax return and report the additional transaction on it.
 - 1) If an electronic return was filed it must be amended online using EPath unless the return has already been electronically amended before. If a paper return was filed the return must be amended on paper
 - 2) For more information on amending returns please refer to the [Amending Returns](#) section of the manual.
 2. Ethanol Producers are required to file an electronic return using the [EPath Schedule](#).
 - a. This schedule must show each individual transaction that takes place during the month.
 - 1) For more information on how to complete the EPath Schedule please refer to the Ethanol Producer [Tax Return Instructions](#) section of the manual.
 3. Ethanol Producers may apply for and obtain a refund of the taxes paid for natural gasoline and/or gasoline that is used to denature alcohol by claiming it on their tax returns. [SDCL 10-47B-120](#)
 4. Ethanol Producers who properly file their returns and remit tax are able to earn an allowance. They are allowed to retain an amount equal to two and one-fourth percent (2.25 percent) of the tax due on each gallon of fuel withdrawn from the [rack](#). [SDCL 10-47B-34](#)
 - a. They may keep one-third of this amount to help offset the administrative expenses involved in reporting and remitting taxes. The remaining two-thirds is passed on to the customer who withdrew the fuel.
 - b. If an Ethanol Producer is late in submitting the monthly return or remitting the taxes due, they cannot retain any of the 2.25 percent allowance.

- 1) If the Ethanol Producer reports and remits on time, but the customers are late in paying the fuel tax owed to the Ethanol Producer, the Ethanol Producer may keep the entire 2.25 percent allowance. [SDCL 10-47B-36](#)

C. A production incentive payment (based on available funding) of 20 cents per gallon is available to ethanol producers for [Ethyl Alcohol](#) that is fully distilled and produced in South Dakota. This incentive payment is also available to qualified [Biobutanol](#) Producers for Biobutanol fully produced in South Dakota. [SDCL 47B-162](#)

1. The [Ethyl Alcohol](#) must be ninety-nine percent pure and must be distilled from cereal grains.
2. If [Ethyl Alcohol](#) is to be shipped outside of the United States, it does not need to meet these provisions to qualify for the ethanol production incentive payment.
3. Annual production incentive payments for any facility may not exceed \$1 million. An ethanol production facility is eligible for a production incentive payment only if the facility has produced qualifying ethyl alcohol on or before December 31, 2006. No facility may receive any production incentive payments in an amount greater than \$9,682,000 dollars.

D. Ethyl Alcohol and Methyl Alcohol Taxes

1. [Ethyl Alcohol](#) or [Methyl Alcohol](#) transferred in bulk by pipeline into a terminal or in bulk by pipeline within a terminal will **NOT** be exempt from South Dakota taxes and TI fees. [SDCL 10-47B-19\(7\)](#)
2. [Ethanol Brokers](#) may obtain ethyl alcohol tax free from an Ethanol Producer.
 - a. Once this fuel is transferred from the Ethanol Broker to a licensed South Dakota [Supplier](#), taxes and TI fees need to be collected from the Supplier by the Ethanol Broker and remitted on the Ethanol Broker's tax return.

Tax Return Instructions

A. Ethanol Producers file their tax returns electronically using [EPath](#). There are two different methods that can be used in order to submit the schedules and returns.

1. Schedule Types

- a. Ethanol Producers will use the following schedule types to report their transactions
 - 1) 5- Gallons Delivered with the tax collected
 - a) Report total gallons of fuel-grade alcohol sold to non-licensed ethanol brokers
 - 2) 6a- Gallons sold exempt of taxes because customer is a licensed exporter
 - a) Report total gallons of fuel-grade alcohol sold to licensed exporters.
 - 3) 10- Gallons sold to other tax exempt entities
 - a) Report total gallons of fuel-grade alcohol sold to licensed ethanol brokers.

2. Upload File Containing Data

- a. This method will allow you to enter in a spreadsheet containing the required information that needed to be listed on the schedule.
- b. For a visual guide on how to file using this method please [click here](#).
- c. The EPath schedule can be created in Microsoft Excel and saved as a .csv or .txt file.
 - 1) The file must be saved as either a .csv or .txt for EPath to recognize the data when the file is uploaded.
 - a) You can use the [Schedule of Receipts and Disbursements Template](#) to complete your schedule or create your own.
- d. In order to upload your schedule please follow the steps below:
 - 1) When you log into your EPath account use the drop down options to select the license and period you wish to file for.
 - 2) Select "Upload File Containing Data"
 - 3) Click "Next"
 - 4) Upload your schedule
 - a) Click "Browse" to locate the file from your computer directory that you want to upload
 - b) Click "Add File"
 - c) Click Next
 - 5) If you get error messages, go directly to your schedule file on your computer, make the needed corrections, and save the file.
 - a) Go to the "File Preview" page
 - b) Click "Back"
 - c) Delete the file previously added on the "Data File Upload" page
 - d) Click "Browse" and upload the corrected EPath Schedule
 - e) Click "Add File"
 - f) Click "Next"
 - 6) Click "Next"
 - 7) Lines 1, 8, 9, 11,18,19 are entered in manually
 - a) Line 1- Total gallons of fuel grade alcohol in inventory
 - b) Line 8- Total gallons of biobutanol produced
 - c) Line 9- Total gallons of Ethyl Alcohol shipped out of the United States
 - d) Line 11- Total gallons of fuel grade alcohol produced out-of-state
 - e) Line 18- Total gallons of natural gasoline used for denaturing alcohol
 - f) Line 19- Total gallons of gasoline used for denaturing alcohol
 - 8) Click "Calculate"
 - 9) Review your entries to ensure everything is correct
 - 10) Click "Next"
 - 11) Click "Submit"
 - a) **Please note:** Clicking "Submit" will finalize the filing process. Make sure to look it over one last time.

3. Manual Data Entry

- a. This method will allow you to put each individual transaction into EPath one at a time.
- b. For a visual guide on how to file using this method please [click here](#).
- c. In order to upload your schedule manually please follow the steps below:
 - 1) When you log into your EPath account use the drop down options to select the license and period you wish to file for.
 - 2) Select "Manual Data Entry"
 - 3) Click "Next"

- 4) Enter the information from your schedule into each box and click "Save" after each entry.
 - a) If you check the "Clear form after updates" box this will clear the form to enter the next transaction
- 5) Click "Next"
- 6) Review your entries to ensure everything is correct
- 7) Click "View Printer Friendly Version"
 - a) **Please note:** You will not be able to print your return after you click "Next." In order to print your return please follow the steps below:
 - Right click your computer mouse and select "Print Preview"
 - Click "Shrink to fit" to fit the return to the paper
 - Click "Print"
 - Close the Print screen once you have printed the form
- 8) Click "Next"
- 9) Click "Submit"
 - a) **Please note:** Clicking "Submit" will finalize the filing process. Make sure to look it over one last time.

B. Filing Paper Returns

1. **Ethanol Producers are required to file their returns electronically unless authorized by the [Department](#) to file paper returns.**
 - a. For additional information regarding authorization to file paper returns please refer to [SDCL 10-47B-190](#).
2. The [Uniform Schedule of Disbursements](#) is required to be filed by Ethanol Producers with each monthly tax return
 - a. This Schedule is used to show fuel products that are pulled from a South Dakota terminal or bulk plant for sale in-state or for export from the state.
 - b. There are many Schedule Types that are identified on this form. Please refer to the [Uniform Schedule of Disbursements Instructions](#) section for further information.
3. The paper tax return must be filed on the forms provided by the Department. To access this form you must contact the [Department](#).
 - a. To file a paper tax return and schedule please follow the steps below:
 - 1) Report total gallons of fuel-grade alcohol in Producer's inventory at beginning of reporting period.
 - 2) Report total gallons of fuel-grade alcohol produced or upgraded during reporting period.
 - 3) Subtotal gallons of fuel-grade alcohol
 - a) Add Lines 1 and 2
 - 4) Report total gallons of fuel-grade alcohol sold to licensed ethanol brokers and exporters.
 - a) Attach [Uniform Schedule of Disbursements](#)
 - b) Schedule Type 6a or 10
 - 5) Report total gallons of fuel-grade alcohol sold to non-licensed ethanol brokers.
 - a) Attach [Uniform Schedule of Disbursements](#)
 - b) Schedule Type 5
 - 6) Total gallons of fuel-grade alcohol sold during reporting period
 - a) Add Lines 4 and 5
 - 7) Total gallons of fuel-grade alcohol remaining in inventory at end of reporting period
 - a) Subtract Line 6 from Line 3
 - 8) Total gallons of biobutanol produced
 - 9) Total gallons of ethyl alcohol shipped out of the United States of America
 - a) Ethyl alcohol shipped outside of the United States, does not need to be denatured to qualify for the ethanol production incentive payment
 - 10) Report total gallons of fuel-grade alcohol sold during reporting period
 - a) Record amount from Line 6
 - 11) Total gallons of fuel-grade alcohol produced out-of-state
 - 12) Net gallons eligible for production payment
 - a) Subtract Line 11 from Line 10 and add Line 8 and Line 9
 - 13) Production payment rate.
 - 14) Production payment allowance for this reporting period
 - a) Multiply Line 12 by rate on Line 13
 - 15) Allowance (If filing on time)
 - a) Multiply Line 5 by 0.0225
 - 16) Fuel Tax due

- a) Subtract line 15 from Line 5 and multiply by \$.14
- 17) Tank Inspection Fee due
 - a) Multiply Line 5 by \$.02
- 18) Report total gallons of natural gasoline used for denaturing alcohol
 - a) Determine from your records
- 19) Report total gallons of gasoline used for denaturing alcohol
 - a) Determine from your records
- 20) Net tax credit due for gallons of gasoline and/or natural gasoline used as denaturant
 - a) Multiply Lines 18 & 19 by \$.28 tax rate
- 21) Tank Inspection Fee
 - a) Multiply Lines 18 & 19 by \$.02
- 22) Total credit for this reporting period
 - a) Add Lines 20 and 21
- 23) Total taxes and fees for this reporting period
 - a) Add Lines 16, 17, and subtract Line 22
- 24) Interest Due (Interest is calculated at 1.00 percent per month. First month is \$5 or 1.00 percent, whichever is greater).
- 25) Penalty Due (Penalty is calculated at 10 percent or \$10, whichever is greater, for filing a return late even if no tax is due).
- 26) Total Due
 - a) Add Lines 23, 24 and Line 25
- 27) Once all the needed documentation is completed please mail it to the address listed below:
 - a) Remittance Center
Motor Fuel Tax Returns
Mail Code 5055
Pierre, SD 57501-3100

Ethanol Broker (EB)

- A. An Ethanol Broker is any person who engages in the business of marketing [Ethyl Alcohol](#) produced by Ethanol Producers located in South Dakota.
1. [Ethyl Alcohol](#) is a motor fuel typically derived from agricultural products that has been denatured.
 2. An [Ethanol Blend](#) is defined as a blended motor fuel containing [Ethyl Alcohol](#) of at least ninety-nine percent purity, typically derived from agricultural products which are blended exclusively with a product commonly or commercially known or sold as gasoline
 - a. The blending of casinghead or natural [Gasoline](#) is not permitted in an [Ethanol Blend](#) fuel product in quantities larger than required to denature the alcohol. Notwithstanding this prohibition, a natural gasoline blended product can be made by blending natural [Gasoline](#) and [Ethyl Alcohol](#). The natural gasoline blended product shall contain no more than twenty-five percent of natural gasoline and shall contain a minimum of seventy-five percent ethyl alcohol. The natural gasoline blended product may only be further blended using gasoline.
[SDCL 10-47B-3.1](#)
- B. All Ethanol Brokers that sell, use, or distribute [Ethyl Alcohol](#) in South Dakota must be licensed. [SDCL 10-47B-68.1](#)
- C. Fuel Tax Responsibilities
1. Ethanol Brokers are required to collect and remit taxes and [TI Fees](#) for [Ethyl Alcohol](#) that they sell unless the ethyl alcohol is sold to a licensed [Exporter](#) for [export](#), to the U.S. Government, or to another licensed Ethanol Broker for resale.

Required Records

- A. Ethanol Brokers are to keep detailed records of all fuel transactions. Records are used to: [SDCL 10-47B-157](#)
1. Accurately complete tax returns;
 - a. Records are to be maintained at the place of business or delivery location at least 30 days;
 - b. Records may then be stored offsite; and
 - c. All records must be preserved for the current year and the three preceding calendar years
 2. Records must be presented to Department personnel if you are audited or have your records reviewed.
- B. Ethanol Brokers are required to maintain different types of records in their original format, through film retrieval, or electronic media. These records include:
1. Bill-of-ladings
 - a. The [Consignee](#) must be identified.
 - b. The titles "Unlisted" and/or "Unknown" are not acceptable names for the [Consignee](#), since the Ethanol Broker should know who is purchasing the fuel.
 - c. If a shipment is going to multiple locations in the state, the title "Various" may be used on the bill of lading to identify destination cities, but the titles "Unlisted" and/or "Unknown" are not acceptable.
 2. Shipping records that indicate the [destination state](#) for all products sold.
 3. Sales and/or purchase invoices.
 - a. A copy of the invoice must be maintained by both the seller and the purchaser.
 - b. Invoices must be serially numbered and contain **ALL** of the following information: [SDCL 10-47B-159](#)
 - 1) The seller's name and address.
 - 2) The selling [Supplier's](#) license number if the fuel is sold from a pipeline; or the selling [Marketer's](#) number if not sold from pipeline.
 - 3) The purchaser's name and address.
 - 4) The date of sale and delivery of the fuel.
 - 5) The number of [gallons](#) sold and delivered, the type of fuel, and if diesel whether or not it was dyed.
 - 6) The price charged per gallon of fuel;
 - 7) If charged, the amount of fuel tax or sales tax.
 - a) Fuel tax must either be listed separately or as a statement that the price per [gallon](#) includes the South Dakota fuel tax.
 - 8) The total amount of the sales invoice.
- C. The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. [SDCL 10-47B-160](#)

Fuel Taxes and Monthly Returns

- A. All fuel tax payments must be remitted to the [Department](#) by electronic transfer and received on or before the twenty fifth day of the month following each monthly period. [SDCL 10-47B-29](#)
1. For more information regarding fuel tax returns and payment due dates please refer to our [Motor Fuel FAQ](#)
- B. Ethanol Brokers must file a monthly electronic return that contains information from the previous month using [EPath](#). The return must be submitted on or before the twentieth day of the month. This means days that are not Saturdays, Sundays, legal holidays, and days that the Federal Reserve Bank is closed. [SDCL 10-47B-115.4](#) & [SDCL 10-47B-115.5](#)
1. All fuel transactions must be reported, and taxes paid to South Dakota or credits claimed during the period in which they occur. Prior period adjustments are not allowed.
 - a. For example: if a sale of fuel takes place on July 31st the Ethanol Broker cannot delay reporting that transaction until the August or September reporting period. The transaction must be reported on the July tax return.
 - b. If a transaction occurs at the end of the month and is not reported on that month's tax return, the Ethanol Broker is to amend the tax return and report the additional transaction on it.
 - 1) If a paper return was filed the return must be amended on paper and if an electronic return was filed it must be amended online using EPath unless the return has already been electronically amended before.
 - a) For more information on amending returns please refer to the [Amending Returns](#) section of the manual.
 2. Ethanol Brokers are required to file an electronic return by using the [EPath Schedule](#).
 - a. This schedule must show each individual transaction that takes place during the month.
 - 1) For more information on filing an Ethanol Broker Tax Return and Schedule please refer to the Ethanol Broker's [Tax Return Instructions](#) section of the manual.
 3. Ethanol Brokers who properly remit tax are able to earn an allowance on their tax return. They may retain an amount equal to two and one-fourth percent (2.25 percent) of the tax due on each [gallon](#) of fuel withdrawn from the [rack](#). [SDCL 10-47B-34](#)
 - a. They may keep one-third of this amount to help offset the administrative expenses involved in reporting and remitting taxes. The remaining two-thirds is passed on to the customer who withdrew the fuel. [SDCL 10-47B-35](#)
 - b. If an Ethanol Broker is late in submitting the monthly tax return or remitting the taxes due, They may not retain any of the 2.25 percent allowance.
 - 1) If they report and remit on time, but the customers are late in paying the fuel tax owed to the Ethanol Broker, the Ethanol Broker may keep the entire 2.25 percent allowance. [SDCL 10-47B-36](#)

C. Bulk Transfers of Alcohol into or Within a SD Terminal

1. [Ethyl Alcohol](#) or [Methyl Alcohol](#) transferred in bulk into a [terminal](#) or in bulk within a terminal will NOT be exempt from South Dakota taxes and [TI fees](#).
 - a. [Ethanol Brokers](#) may purchase [Ethyl Alcohol](#) tax free from an [Ethanol Producer](#). Once this fuel transfers from the Ethanol Broker to a licensed South Dakota Supplier, taxes and TI fees must be collected from the Supplier and remitted on the Ethanol Broker's tax return. [SDCL 10-47B-9.1](#)

Tax Return Instructions

A. Ethanol Brokers file their tax returns electronically using [EPath](#). There are two different methods that can be used in order to submit the schedules and returns.

1. Schedule Types

a. Ethanol Brokers will use the following schedule types to report their transactions

- 1) 2B- Gallons received tax unpaid
- 2) 5- Gallons delivered with tax collected
- 3) 6A- Gallons sold exempt from tax because customer is a licensed exporter
- 4) 8- Gallons sold to the US Government (Tax Exempt)
- 5) 10- Gallons sold to other tax exempt entities

2. Upload File Containing Data

a. This method will allow you to enter in a spreadsheet containing the required information that needed to be listed on the schedule.

b. For a visual guide on how to file using this method please [click here](#).

c. The EPath schedule can be created in Microsoft Excel and saved as a .csv or .txt file.

1) The file must be saved as either a **.csv** or **.txt** for EPath to recognize the data when the file is uploaded.

a) You can use the [Schedule of Receipts and Disbursements Template](#) to complete your schedule or create your own.

d. In order to upload your schedule please follow the following steps:

1) When you log into your EPath account use the drop down options to select the license and period you wish to file for.

2) Select "Upload File Containing Data"

3) Click "Next"

4) Upload your schedule

a) Click "Browse" to locate the file from your computer directory that you want to upload

b) Click "Add File"

c) Click Next

5) If you get error messages, go directly to your schedule file on your computer, make the needed corrections, and save the file.

a) Go to the "File Preview" page

b) Click "Back"

c) Delete the file previously added on the "Data File Upload" page

d) Click "Browse" and upload the corrected EPath Schedule

e) Click "Add File"

f) Click "Next"

- 6) Review your entries to ensure that everything is correct
- 7) Click "Next"
- 8) Click "Submit"
 - a) **Please note:** Clicking "Submit" will finalize the filing process. Make sure to look it over one last time.
- 9) Print Return
 - a) **Please note:** if you go back to the main menu before printing your return you will **NOT** be able to print it off of EPath any longer.
 - b) Click "View/Print Full Return"
 - c) Click "Print"

3. Manual Data Entry

- a. This method will allow you to put each individual transaction into EPath one at a time.
- b. For a visual guide on how to file using this method please [click here](#).
- c. In order to upload your schedule manually please follow the steps below:
 - 1) When you log into your EPath account use the drop down options to select the license and period you wish to file for.
 - 2) Select "Manual Data Entry"
 - 3) Click "Next"
 - 4) Enter the information from your schedule into each box and click "Save" after each entry.
 - a) If you check the "Clear form after updates" box this will clear the form to enter the next transaction
 - 5) Click "Next"
 - 6) Review your entries to ensure everything is correct
 - 7) Click "Next"
 - 8) Click "Submit"
 - a) **Please note:** Clicking "Submit" will finalize the filing process. Make sure to look it over one last time.
 - 9) Print Return
 - a) **Please note:** if you go back to the main menu before printing your return you will **NOT** be able to print it off of EPath any longer.
 - b) Click "View/Print Full Return"
 - c) Click "Print"

B. Filing Paper Returns

1. **Ethanol Brokers are required to file their returns electronically unless authorized by the [Department](#) to file paper returns.**
 - a. For additional information regarding authorization to file paper returns please refer to [SDCL 10-47B-190](#).
2. The **[Uniform Schedule of Disbursements](#)** is required to be filed by Ethanol Brokers with each monthly tax return.

- a. This Schedule is used to show fuel products that are pulled from a South Dakota terminal or bulk plant for sale in-state or for export from the state.
3. The paper tax return must be filed on the forms provided by the Department. To access this form you must contact the [Department](#).
 - a. **Uniform Schedule of Disbursements**
 - 1) More than one transaction can be listed on this schedule, even if the schedule type has changed.
 - b. To file a paper tax return and schedule please follow the steps below:
 - 1) Report total gallons of ethyl alcohol received from an Ethanol producer and/or licensed Ethanol Broker for resale during the reporting period.
 - a) Attach Uniform Schedule of Disbursements
 - b) Schedule Type 2b
 - 2) Report total gallons of ethyl alcohol sold to a licensed Exporter for export during reporting period.
 - a) Attach Uniform Schedule of Disbursements
 - b) Schedule Type 6a
 - 3) Report total gallons of ethyl alcohol sold to the U.S. Government during reporting period.
 - a) Attach Uniform Schedule of Disbursements
 - b) Schedule Type 8
 - 4) Report total gallons of ethyl alcohol sold to a licensed Ethanol Broker for resale during reporting period.
 - 5) Attach Uniform Schedule of Disbursements
 - 6) Schedule Type 10
 - 7) Subtotal taxable gallons of ethyl alcohol received & sold
 - a) Subtract Lines 2, 3 and 4 from Line 1.
 - 8) Subtotal taxable gallons of ethyl alcohol
 - a) Attach Uniform Schedule of Disbursements
 - b) Schedule Type 5
 - 9) Allowance (If filing on time) on gallons of ethyl alcohol sold
 - a) Multiply Line 6 by 2.25%.
 - 10) Total taxable gallons of ethyl alcohol
 - a) Subtract Line 7 from Line 6.
 - 11) Tax Rate
 - 12) Taxes due
 - a) Multiply Line 8 by Line 9.
 - 13) Tank Inspection Fee
 - a) Multiply Line 6 by \$.02
 - 14) Total Taxes and Fees due
 - a) Add Lines 10 and 11.
 - 15) Interest is calculated at 1.00 percent per month. First month is \$5 or 1.00 percent, whichever is greater.

- 16) Penalty is calculated at 10 percent or \$10, whichever is greater, for filing a return late even if no tax is due.
- 17) Total Taxes and Fees for this reporting period
 - a) Add Lines 12, 13, and 14.
- 18) Once all the needed documentation is completed please mail it to the address listed below:
 - a) Remittance Center
Motor Fuel Tax Returns
Mail Code 5055
Pierre, SD 57501-3100

Biodiesel Producer (BP)

- A. A Biodiesel Producer is a person who engages in the business of producing biodiesel for sale, use, or distribution.
 - 1. **Biodiesel** is a fuel that is comprised of mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats, designated B100 and/or a derivative of any organic material, without regard to the process used, that meets the registration requirements for fuels and chemicals established by the Environmental Protection Agency (EPA) and the American Society of Testing and Materials (ASTM), but does not include oil, natural gas, or coal (including lignite), or any products thereof.
 - 2. **Biodiesel Blend** is a blended special fuel containing a minimum of five percent by volume of biodiesel.
- B. All Biodiesel Producers that sell, use, or distribute biodiesel in South Dakota must be licensed. [SDCL 10-47B-67.1](#)
- C. Fuel Tax Responsibilities
 - 1. Biodiesel Producers are required to collect taxes and TI Fees for unblended biodiesel that they sell unless the biodiesel is sold to a licensed Blender, a licensed Supplier for resale, or a licensed Exporter for export. [SDCL 10-47B-9](#)
- D. Once biodiesel production facilities in South Dakota reach a name plate capacity of at least twenty million gallons per year and fully produce at least ten million gallons of biodiesel within one year, a two cents reduction on the tax rate of biodiesel will be implemented. This tax reduction will be repealed once thirty-five million gallons of taxed biodiesel and biodiesel blend are sold after the effective date of the tax rate reduction. [SDCL 10-47B-4](#)

Required Records

- A. Biodiesel Producers are to keep detailed records of all fuel transactions. Records are used to: [SDCL 10-47B-157](#)
1. Accurately complete tax returns;
 - a. Records are to be maintained at the place of business or delivery location at least 30 days;
 - b. Records may then be stored offsite; and
 - c. All records must be preserved for the current year and the three preceding calendar years
 2. Records must be presented to Department personnel if you are audited or have your records reviewed.
- B. Biodiesel Producers must keep all sales and or purchase invoices. A copy of the invoice must be maintained by both the seller and the purchaser.
1. These files must be kept in either their original format, through film retrieval or electronic media.
 - a. Invoices must be serially numbered and contain **ALL** of the following information: [SDCL 10-47B-159](#)
 - 1) The seller's name and address.
 - 2) The selling [Supplier's](#) license number if the fuel is sold from a pipeline; or the selling [Marketer's](#) number if not sold from pipeline.
 - 3) The purchaser's name and address.
 - 4) The date of sale and delivery of the fuel.
 - 5) The number of [gallons](#) sold and delivered, the type of fuel, and if diesel whether or not it was dyed.
 - 6) The price charged per gallon of fuel;
 - 7) If charged, the amount of fuel tax or sales tax.
 - a) Fuel tax must either be listed separately or as a statement that the price per [gallon](#) includes the South Dakota fuel tax.
 - 8) The total amount of the sales invoice.
- C. Biodiesel Producers are required to maintain inventory records that show: [SDCL 10-47B-157](#)
1. The total [gallons](#) on hand at the beginning of the month;
 2. The total [gallons](#) produced during the month;
 3. The total [gallons](#) sold during the month; and
 4. The total [gallons](#) remaining at the end of the month.
- D. Biodiesel Producers must keep monthly records that show:
1. The total number of [gallons](#) blended with [Biodiesel](#);
 2. The total number of [Biodiesel gallons](#) produced out of state; and
 3. The total [gallons](#) of [Ethanol](#) and/or Methanol used to produce [Biodiesel](#).
- E. Records of plant capacity must be maintained because production and sales of biodiesel will be reported

monthly on the Biodiesel Producer tax return. [SDCL 10-47B-115.10](#)

- F. The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. [SDCL 10-47B-160](#)

Fuel Taxes and Monthly Returns

- A. All fuel tax due from a Biodiesel Producer must be remitted by electronic transfer. It must be received by the [Department](#) on or before the twenty-fifth day of the month that the return is due. This means days that are not Saturdays, Sundays, legal holidays, and days that the Federal Reserve Bank is closed. [SDCL 10-47B-29](#)
1. For example: If the payment is due on October 30th and that day falls on a Saturday. Payment will not be due until Monday, November 1st.
- B. Biodiesel Producers must file a monthly electronic return that contains information for the preceding month using [EPath](#). The return must be submitted on or before the twentieth day of the month. This means days that are not Saturdays, Sundays, legal holidays, and days that the Federal Reserve Bank is closed [SDCL 10-47B-115.10](#) & [SDCL 10-47B-115.11](#)
1. All fuel transactions must be reported, and taxes paid to South Dakota or credits claimed during the period in which they occur. Prior period adjustments are not allowed.
 - a. For example: if a sale of fuel takes place on July 31st the Biodiesel Producer cannot delay reporting that transaction until the August or September reporting period. The transaction must be reported on the July tax return.
 2. Biodiesel Producers are required to file an electronic return using the [EPath Schedule](#). This schedule must show: [SDCL 10-47B-115.12](#)
 - a. Each individual transaction that takes place during the month.
 - b. Production and sales of biodiesel will be reported.
 - c. All biodiesel sold to a licensed exporter for export.
 - d. All biodiesel sold with fuel tax due.
 - e. For more information on filing an Biodiesel Tax Return and Schedule please refer to the Biodiesel Producer's [Tax Return Instructions](#) section of the manual.
 3. If a transaction occurs at the end of the month and is not reported on that month's tax return, the Biodiesel Producer is to amend the return and report the additional transaction on it.
 - a. If a paper return was filed the return must be amended on paper and if an electronic return was filed it must be amended online using EPath unless the return has already been electronically amended before.
 - b. For more information on amending returns please refer to the [Amending Returns](#) section of the manual.
 4. Biodiesel Producers may obtain a refund of the taxes paid for ethanol and/or methanol used in the production of biodiesel. [SDCL 10-47B-120.1](#)

Tax Return Instructions

- A. Biodiesel Producers file their tax returns electronically using [EPath](#). There are two different methods that can be used in order to submit the schedules and returns.

1. Schedule Types

- a. Biodiesel Producers will use the following schedule types to report their transactions
 - 1) 5- Gallons delivered with the tax collected
 - 2) 6a- Gallons sold tax exempt from a Licensed Exporter
 - 3) 6b- Gallons sold tax exempt from a licensed Blender
 - 4) 6d- Gallons sold tax exempt to a licensed Importer
- b. A product code will be listed to show the type of fuel for each transaction. To view a product code guide please [click here](#).
- c. A code will be listed to show the mode in which the fuel was transferred. To view a mode of transfer guide please [click here](#).

2. Upload File Containing Data (Method 1)

- a. This method will allow you to enter in a spreadsheet containing the required information that needed to be listed on the schedule.
- b. For a visual guide on how to file using this method please [click here](#).
- c. The EPath schedule can be created in Microsoft Excel and saved as a .csv or .txt file.
 - 1) The file must be saved as either a **.csv** or **.txt** for EPath to recognize the data when the file is uploaded.
 - a) You can use the [Schedule of Receipts and Disbursements Template](#) to complete your schedule or create your own.
- d. In order to upload your schedule please follow the following steps:
 - 1) When you log into your EPath account use the drop down options to select the license and period you wish to file for.
 - 2) Select "Upload File Containing Data"
 - 3) Click "Next"
 - 4) Upload your schedule
 - a) Click "Browse" to locate the file from your computer directory that you want to upload
 - b) Click "Add File"
 - c) Click Next
 - 5) If you get error messages, go directly to your schedule file on your computer, make the needed corrections, and save the file.
 - a) Go to the "File Preview" page
 - b) Click "Back"
 - c) Delete the file previously added on the "Data File Upload" page
 - d) Click "Browse" and upload the corrected EPath Schedule
 - e) Click "Add File"

- f) Click "Next"
- 6) Click "Next"
- 7) Lines 1, 2, 9, and 11 are entered in manually
- 8) Click "Calculate"
- 9) Review your entries to ensure everything is correct
- 10) Click "Next"
- 11) Click "Submit"
 - a) **Please note:** Clicking "Submit" will finalize the filing process. Make sure to look it over one last time.

3. Manual Data Entry (Method 2)

- a. This method will allow you to put each individual transaction into EPath one at a time.
- b. For a visual guide on how to file using this method please [click here](#).
- c. In order to upload your schedule manually please follow the steps below:
 - 1) When you log into your EPath account use the drop down options to select the license and period you wish to file for.
 - 2) Select "Manual Data Entry"
 - 3) Click "Next"
 - 4) Enter the information from your schedule into each box and click "Save" after each entry.
 - a) If you check the "Clear form after updates" box this will clear the form to enter the next transaction
 - 5) Click "Next"
 - 6) Lines 1, 2, 9, and 11 are entered in manually
 - 7) Click "Calculate"
 - 8) Review your entries to ensure everything is correct
 - 9) Click "Next"
 - 10) Click "Submit"
 - a) **Please note:** Clicking "Submit" will finalize the filing process. Make sure to look it over one last time.

B. Filing Paper Tax Returns

1. **Biodiesel Producers are required to file their returns electronically unless authorized by the [Department](#) to file paper returns.**
 - a. For additional information regarding authorization to file paper returns please refer to [SDCL 10-47B-190](#).
2. The [Uniform Schedule of Disbursements](#) is required to be filed by Biodiesel Producers with each monthly tax return
 - 1) This Schedule is used to show fuel products that are pulled from a South Dakota terminal or bulk plant for sale in-state or for export from the state.
 - 2) There are many Schedule Types that are identified on this form. Please refer to the [Uniform Schedule of Disbursements Instructions](#) section for further

information.

3. The paper tax return must be filed on the forms provided by the Department. To access this form you must contact the [Department](#).

a. [Uniform Schedule of Disbursements](#)

- 1) More than one transaction can be listed on this schedule, even if the schedule type has changed.

b. To file a paper tax return please follow the steps below:

- 1) Report total gallons of biodiesel in inventory.
- 2) Report total gallons of biodiesel produced during the reporting period.
- 3) Subtotal of biodiesel gallons
- a) Add Lines 1 and 2
- 4) Report total gallons of biodiesel sold to licensed purchasers during the reporting period. A licensed purchaser is defined as a Supplier purchasing fuel for resale at a terminal, a Blender, or an Exporter purchasing fuel for export.

- a) Attach Uniform Schedule of Disbursements
- b) Schedule Types 6a, 6b, or 6d.

- Product types 284 or 290

- 5) Report total gallons of biodiesel sold to unlicensed purchasers during reporting period. This includes anyone not covered on Line 4.

- a) Attach Uniform Schedule of Disbursements
- b) Schedule Type 5.

- 6) Report total gallons of biodiesel sold during reporting period

- a) Add Lines 4 and 5.

- 7) Report total gallons of biodiesel remaining in inventory

- a) Subtract Line 6 from Line 3.

- 8) Report total gallons of biodiesel sold during reporting period.

- a) Record the amount from line 6.

- 9) Report total gallons of biodiesel produced out of state.

- 10) Net gallons of biodiesel produced

- a) Subtract Line 9 from Line 8.

- 11) Report total gallons of ethanol/methanol used to produce biodiesel.

- 12) Net credit due for gallons of ethanol/methanol used to produce biodiesel

- a) Multiply Line 11 by \$.14.

- 13) Net credit due for gallons of ethanol/methanol used to produce biodiesel

- a) Multiply Line 11 by \$.02.

- 14) Report total credit for this reporting period

- a) Add Lines 12 and 13.

- 15) Report total gallons of clear biodiesel sold to unlicensed purchasers.

- a) Record amount from Line 5.

- 16) Fuel tax due
 - a) Multiply Line 15 by \$.28.
- 17) Tank Inspection Fee due
 - a) Multiply Line 15 by \$.02.
- 18) Total Taxes and Fees
 - a) Add Lines 16 and 17 and subtract line 14.
- 19) Interest - Interest is calculated the first month at 1percent or \$5 whichever is greater and 1percent per month thereafter.
- 20) Penalty - The Penalty is calculated at 10 percent or \$10, whichever is greater, for filing a return late even if no tax is due.
- 21) Total Taxes and Fees for this reporting period – Add Lines 18, 19 and Line 20.
- 22) Once all the needed documentation is completed please mail it to the address listed below:
 - a) Remittance Center
Motor Fuel Tax Returns
Mail Code 5055
Pierre, SD 57501-3100

Blender (BL)

- A. A Blender is a person engaged in the activity of making blends.
- B. A person producing a biodiesel blend is required to be licensed as a Blender. [SDCL 10-47B-62](#)
 - 1. A **Biodiesel Blend** is a blended special fuel containing a minimum of five percent by volume of biodiesel.
 - 2. A person does not need to be licensed as a blender to mix two or more substances that fuel excise tax has already been paid on.
 - 3. A person does not need to be licensed as a blender to mix two or more substances that fuel excise tax has not been paid on if the result of the mixed product does not produce a motor fuel or special fuel.
 - 4. A person producing an **Ethanol Blend** or Methanol Blend is no longer required to be licensed as a Blender.
- C. Licensed Blenders are permitted to purchase undyed (clear) **Biodiesel** on a tax exempt basis.
 - 1. Once the **Biodiesel** is blended with another product to make a motor or special fuel, taxes and tank inspection fees that are due on the product must be reported on the Blender's tax return. [SDCL 10-47B-9](#)
- D. Fuel Tax Responsibilities and Monthly Returns
 - 1. Fuel Tax Responsibilities
 - a. All fuel tax payments must be remitted to the **Department** by electronic transfer and received on or before the twenty fifth day of the month following each monthly period. [SDCL 10-47B-29](#)
 - 1) For more information regarding fuel tax returns and payment due dates please refer to our [Motor Fuel FAQ](#)
 - 2. Monthly Returns
 - a. Blenders must file a monthly electronic return that contains information from the previous month using **EPath**. The return must be submitted on or before the twentieth day of the month. This means days that are not Saturdays, Sundays, legal holidays, and days that the Federal Reserve Bank is closed. [SDCL 10-47B-111](#) & [SDCL 10-47B-112](#)
 - 1) All fuel transactions must be reported, and taxes paid to South Dakota or credits claimed during the period in which they occur. Prior period adjustments are not allowed.
 - a) For example: if a sale of fuel takes place on July 31st the Ethanol Broker cannot delay reporting that transaction until the August or September reporting period. The transaction must be reported on the July tax return.

- 2) Blenders are required to file an electronic return using the [EPath Schedule](#). This schedule must show: [SDCL 10-47B-113](#)
 - a) The number of gallons of any substances blended with motor fuel or special fuel;
 - b) Names and address of all sales of blend in quantities of twenty-five gallons or more;
 - c) The number of gallons of biodiesel, the number of gallons of biodiesel blend, and the number of gallons of special fuel used to make a biodiesel blend; and
 - d) The number of gallons of unblended biodiesel sold, including the tax exempt sales made to licensed blenders, to licensed suppliers for resale, and to licensed exports for export to a state for which the exporter is specifically licensed to export.
 - e) For additional information on how to file a Blender tax return please refer to the [Tax Return Instruction Page](#).
- 3) If a transaction occurs at the end of the month and is not reported on that month's tax return, the Blender is to amend the tax return and report the additional transaction on it.
 - a) If a paper return was filed the return must be amended on paper and if an electronic return was filed it must be amended online using EPath unless the return has already been electronically amended before.
 - b) For more information on amending returns please refer to the [Amending Returns](#) section of the manual.

Required Records

- A. Blenders to keep detailed records of all fuel transactions and deliveries. Records are used to:
[SDCL 10-47B-157](#)
- B. Accurately complete tax returns;
 - a. Records are to be maintained at the place of business or delivery location at least 30 days;
 - b. Records may then be stored offsite; and
 - c. All records must be preserved for the current year and the three preceding calendar years
 - 1. Records must be presented to Department personnel if you are audited or have your records reviewed.
- C. Blenders must keep all sales and or purchase invoices. A copy of the invoice must be maintained by both the seller and the purchaser.
 - 1. These files must be kept in either their original format, through film retrieval or electronic media.
 - a. Invoices must be serially numbered and contain **ALL** of the following information:
[SDCL 10-47B-159](#)
 - 1) The seller's name and address.
 - 2) The selling **Supplier's** license number if the fuel is sold from a pipeline; or the selling **Marketer's** number if not sold from pipeline.
 - 3) The purchaser's name and address.
 - 4) The date of sale and delivery of the fuel.
 - 5) The number of **gallons** sold and delivered, the type of fuel, and if diesel whether or not it was dyed.
 - 6) The price charged per gallon of fuel;
 - 7) If charged, the amount of fuel tax or sales tax.
 - a) Fuel tax must either be listed separately or as a statement that the price per **gallon** includes the South Dakota fuel tax.
 - 8) The total amount of the sales invoice.
- D. Blenders are required to maintain inventory records that show:
 - 1. The total **gallons** of each type of previously taxed fuel blended during the month;
 - 2. The total **gallons** of previously untaxed fuel blended during the month;
 - 3. The total **gallons** of other fuels that are blended during the month; and
 - 4. The total **gallons** of **biodiesel** that is sold to unlicensed parties.
- E. The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. [SDCL 10-47B-160](#)

Tax Return Instructions

A. Blenders file their tax returns electronically using [EPath](#).

1. For a visual guide of filing a Blender Tax Return please [click here](#).
2. Filing an Electronic Return
 - a. In order to file a Blender Tax Return into EPath please follow the steps below:
 - 1) When you log into your EPath account use the drop down options to select the license and period you wish to file for.
 - 2) Click "Next"
 - 3) Report your gallons
 - a) Line 1- Biodiesel Blends
 - b) Line 2- Dyed Biodiesel Blends
 - c) Line 3- Other Blends
 - d) Line 4 Enter gallons sold to an unlicensed purchaser during the reporting period
 - e) Lines 5-15 are automatically calculated by EPath.
 - 4) Click "Next"
 - 5) Review your entries to ensure everything is correct
 - 6) Click "View Printer Friendly Version"
 - a) **Please note:** You will not be able to print your return after you click "Next." In order to print your return please follow the steps below:
 - Right click your computer mouse and select "Print Preview"
 - Click "Shrink to fit" to fit the return to the paper
 - Click "Print"
 - Close the Print screen once you have printed the form
 - 7) Click "Next"
 - 8) Click "Submit"
 - a) **Please note:** Clicking "Submit will finalize the filing process. Make sure to look it over one last time.

B. Filing a Paper Return

1. **Blenders are required to file their returns electronically unless authorized by the [Department](#) to file paper returns.**
 - a. For additional information regarding authorization to file paper returns please refer to [SDCL 10-47B-190](#).
2. The paper tax return must be filed on the forms provided by the Department. To access this form you must contact the [Department](#).
 - a. To file a paper tax return please follow the steps below:
 - 1) Biodiesel Blend
 - a) Enter gallons in columns B and D or E.
 - 2) Dyed Biodiesel Blend

- a) Enter gallons in columns C and D or E.
- 3) Other Blends
 - a) Enter gallons in applicable Columns A – F.
- 4) Enter gallons sold to unlicensed purchaser during the reporting period.
- 5) Total Gallons
 - a) Enter the total gallons for each column
- 6) Calculate the total tax liability
- 7) Multiply Line 5 in Column F by \$0.02
- 8) Add lines 6 & 7
- 9) Line 9
 - a) Multiply Line 5 Column A by \$0.28
 - b) Multiply Line 5 Column B by \$0.28
- 10) Add Line 5's Column A, B, & C and then multiply by \$0.02
- 11) Add Lines 9a, 9b, & 10
- 12) Subtract Line 11 from Line 18
- 13) Interest - Interest is calculated the first month at 1 percent or \$5 whichever is greater and 1 percent per month thereafter.
- 14) Penalty - The Penalty is calculated at 10 percent or \$10, whichever is greater, for filing a return late even if no tax is due.
- 15) Total Taxes and Fees for this reporting period
 - a) Add Lines 12, 13, & 14
- 16) Once all the needed documentation is completed please mail it to the address listed below:
 - a) Remittance Center
Motor Fuel Tax Returns
Mail Code 5055
Pierre, SD 57501-3100

Marketer (MK)

- A. A Marketer is a person who is engaged in the wholesale or retail sale of [Motor Fuel](#) or [Special Fuel](#).
- B. Marketers must be licensed to do business in South Dakota and a separate license is required for each business location within the state. [SDCL 10-47B-65](#)
- C. Fuel Tax Responsibilities
 - 1. Marketers only purchase tax paid [motor fuel](#), tax paid clear [special fuel](#) and tax-exempt dyed special fuel; they have no fuel tax reporting or remitting responsibilities to the state.
- D. Selling Dyed Diesel and Dyed Biodiesel
 - 1. Marketers may sell dyed diesel and dyed biodiesel tax exempt to customers using it for agricultural purposes. [SDCL 10-45-19](#)
 - a. Dyed diesel or dyed biodiesel may also be sold tax exempt to the state or its political subdivisions for use in their vehicles, machinery, and equipment that are used in [highway construction](#).
 - 2. Marketers selling dyed diesel and dyed biodiesel to [Highway Contractors](#) must collect sales tax. These sales are to be reported on the Marketer's sales tax return. [SDCL 10-47B-20](#) & [SDCL 10-47B-135\(2\)](#)
 - a. Please contact the Business Tax Division at 1-800-829-9188 for further information on the Marketer sales tax return.
 - 3. All Diesel or [Biodiesel](#) sold to the state, political subdivisions, and school systems for vehicular use must be **undyed**.
 - a. This includes fuel being used in buses.
- E. Selling Ethanol and Methanol Blends
 - 1. [Ethyl Alcohol](#) and [Methyl Alcohol](#) are taxed at the rate of \$.14 per gallon plus the \$.02 per gallon [Tank Inspection Fee](#). [SDCL 10-47B-4.3](#)
 - a. These products are now taxed because of the various levels of [Ethanol Blends](#) now being produced in the industry.
 - 2. If a Marketer sells an [ethanol blend](#) or methanol blend, the sales invoice must indicate what type of ethanol blend or methanol blend was sold.
 - a. For example, E10, E20, E30 etc

Required Records

- A. Marketers are to keep detailed records of all fuel transactions. Records are used to: [SDCL 10-47B-47](#) & [SDCL 10-47B-157](#)
1. Accurately complete Marketer Refund Claims;
 - a. Records are to be maintained at the place of business or delivery location at least 30 days;
 - b. Records may then be stored offsite; and
 - c. All records must be preserved for the current year and the three preceding calendar years
 2. Records must be presented to Department personnel if you are audited or have your records reviewed.
- B. Marketers must keep all sales and/or purchase invoices. A copy of the invoice must be maintained by both the seller and the purchaser.
1. These files must be kept in either their original format, through film retrieval or electronic media.
 - a. Invoices must be serially numbered and contain **ALL** of the following information: [SDCL 10-47B-159](#)
 - 1) The seller's name and address.
 - 2) The selling **Supplier's** license number if the fuel is sold from a pipeline; or the selling **Marketer's** number if not sold from pipeline.
 - 3) The purchaser's name and address.
 - 4) The date of sale and delivery of the fuel.
 - 5) The number of **gallons** sold and delivered, the type of fuel, and if diesel whether or not it was dyed.
 - 6) The price charged per gallon of fuel;
 - 7) If charged, the amount of fuel tax or sales tax.
 - a) Fuel tax must either be listed separately or as a statement that the price per **gallon** includes the South Dakota fuel tax.
 - 8) The total amount of the sales invoice.
- C. Marketers must maintain all fuel shipping documents they receive in their records.
1. They are responsible for inspecting shipping documents to ensure that they indicate South Dakota as the **destination state**. [SDCL 10-47B-157](#)
 - a. These shipping documents include:
 - 1) Bill-of-ladings,
 - 2) Drop load tickets, and
 - 3) Diversion tickets.
- D. Licensed Marketers are also required to keep:
1. Fuel disbursement records;

2. Monthly fuel inventories; and
 3. Weekly pump meter readings
 4. Daily storage tank measurements
- E. The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. [SDCL 10-47B-160](#)

Fuel Taxes and Marketer Refunds

- A. Marketers only purchase tax paid [motor fuel](#), tax paid clear [special fuel](#) and tax- exempt dyed special fuel; they have no fuel tax reporting or remitting responsibilities to the state.
- B. Marketers may obtain a refund on tax paid fuel sold to tax exempt entities by completing the Marketer Refund Claim.
 - 1. The claim will only be filed when a Marketer qualifies for a refund. This return is custom filed and can be submitted as activity occurs.
 - a. **Please note: Refund claims must be filed within 36 months of the transaction date. After that time period they will be denied.**
 - b. For example: if a Marketer sells fuel to the U.S. Government during the months of March, May, and July. They can file for a refund each month the activity occurred or within the year that the transactions took place.
 - 2. There are several situations where Marketers qualify for refunds (fuel taxes must have already been paid to qualify):
 - a. For fuel that is sold in bulk to an approved Indian Tribal School holding an exempt-user number. These refunds can only be claimed for deliveries made into bulk storage at the tribal school. [SDCL 10-47B-122](#)
 - b. For fuel that is sold to the Federal Government or Defense Supply Center for consumption. [SDCL 10-47B-124](#)
 - c. For undyed diesel or undyed biodiesel delivered into a motor carrier refrigeration unit which is not attached to the engine supply fuel tank of the vehicle. Sales tax is charged on the product and "reefer" must be noted on the sales invoice. [SDCL 10-47B-131](#)
 - d. For fuel that is sold to an enrolled tribal member purchasing fuel in Indian country controlled by the member's tribe, or an Indian tribe purchasing [motor fuel](#) or [special fuel](#) in Indian country controlled by the Indian tribe.
 - e. For fuel that is sold and has already been deducted as an expense on the Marketer's Federal Income Tax Return to customers that fail to pay the required fuel tax to the Marketer. [SDCL 10-47B-134](#)
 - 1) A Marketer can only claim a refund of a customer's delinquent taxes once every three years and must furnish sufficient evidence and testimony to support any tax collection effort made by the [Department](#).
 - a) A separate claim form must be submitted to support each bad debt loss.
 - 2) Afterwards, all taxes due from that customer on any later sales must be collected at the time of purchase for the next three years.
 - 3) The Department will notify all licensed Suppliers, out-of-state Suppliers, and Marketers that a customer has been delinquent and is not entitled to delayed payment of fuel tax and [TI fees](#) for the next three years. No further refunds of delinquent taxes will be made on any sales to this customer during the three-year period.
 - f. For fuel that is lost because of leakage, theft, or a single incident that is caused by

fire, flood, tornado, windstorm, or explosion in excess of 100 gallons. [SDCL 10-47B-137](#)

- 1) The Marketer will be refunded the amount of tax on the lost gallons upon compliance with the following requirements: [SDCL 10-47B-123](#)
 - a) A Marketer must notify the Department by registered or certified mail within 10 days of the loss in order to collect any refund.
 - b) An [Affidavit of Loss of Taxable Fuel](#) must be completed and submitted to the Department within 30 days after the loss is discovered.
 - If the affidavit has not been submitted within that time frame the Marketer will no longer be eligible for the refund.
 - c) Copies of police reports in cases of theft and insurance reports must accompany all claims.
 - No claims for less than five hundred gallons will be considered or allowed; such loss is considered to be shrinkage.
 - d) The books and records of the claimant must be available for inspection by the Department.
3. If a transaction occurs at the end of the reported claim period and is not recorded on that period's tax return, the Marketer is to amend the tax return and report the additional transaction on it.
 - a. If a paper return was filed the return must be amended on paper and if an electronic return was filed it must be amended online using EPath unless the return has already been electronically amended before.
 - b. For more information on amending returns please refer to the [Amending Returns](#) section of the manual.
4. If a claim for refund is allowed and approved by the Department, the state auditor must issue a warrant for the amount allowed, upon the presentation of a claim bearing the approval of the Department.

Marketer Refund Claim Instructions

A. Marketer's file their refund claims electronically using EPath. In order to do this please follow the steps below:

1. At the Tax Return Filing Menu select your license from the drop down.
2. Select "File a Return For" under filing options.
3. Select the dates the activity occurred.
 - a. **Please Note:** refund claims for dates prior to January 1st, 2017 cannot be claimed electronically
4. Click "Next"
5. Returns can be submitted in one of two ways, upload a file containing data and manual entry. Please select a method below and follow the steps listed:
 - a. Upload a File Containing Data (Method 1)
 - 1) This method will allow you to upload a spreadsheet containing the required information that needs to be listed on the schedule.
 - 2) For a visual guide on how to upload a file containing data please [click here](#)
 - 3) Follow the steps below to Upload a File Containing Data
 - a) The EPath schedule can be created in Microsoft Excel using the templates provided in EPath.
 - You can use the provided templates on EPath or create your own.
 - The file must be saved as either a **.csv** or **.txt** for EPath to recognize the data when the file is uploaded.
 - Depending on the transactions that occur a different schedule can be uploaded for each reporting section.
 - b) Marketer Refund File Upload
 - Determine which section(s) you wish to upload a file to and select "Choose File," in that section.
 - Indian School Upload File
 - ▶ Sales of fuel sold in bulk to a location on a licensed Indian Schools premises will be uploaded under this section.
 - ▶ The school must be licensed by the Department of Revenue to purchase fuel exempt from state taxation.
 - Government Schedule of Disbursements Upload
 - ▶ Sales to the US Government will be uploaded under this section and reported as a Schedule Type 8.
 - Reefer Storage Upload
 - ▶ Sales of undyed Diesel fuel dispensed in separate reefer storage for refrigeration use will be uploaded under this section.
 - Tribal Sales Upload
 - ▶ Sales of fuel sold to an enrolled tribal member purchasing fuel in Indian Country controlled by the member's tribe, or an Indian tribe purchasing motor fuel or special fuel in Indian Country controlled by the tribe will be uploaded under this section.

- After you have selected your file click "Add File"
 - If your file upload was successful it will appear at the bottom of your screen under the "Add File" button.
 - Repeat steps 2 and 3 until you have uploaded a file for each section you need to report data on.
 - Click "Next"
 - c) Click "Next" again on the Marketer File Preview Page
 - Failed Downloads
 - If you get error messages click on "View" under "Error Codes"
 1. This will open a new window that describes the error.
 - After you have read your error codes go directly to the schedule file on your computer, make the needed corrections, and save the file.
 - Click "Back"
 - Click "Back" again so you can return to the Marketer Refund File Upload Page
 - Delete the incorrect file by clicking on the red "Delete" button.
 - d) Supporting Documentation File Upload
 - This section allows you to upload copies of documentation to support your claim
 - Supporting documentation includes, but is not limited to: WEX statements, tax exempt statements, tax exempt spreadsheets or worksheets, and sales invoices.
 - Click "Choose File"
 - Make sure your file is uploaded using .pdf, .xls, .xlsx, .xlsb, .csv, .doc, .docx, and .jpg file formats.
 - Select the file you wish to upload and click "Upload File"
 - If your file upload was successful it will appear above the "Upload File" section.
 - e) Marketer's Tax Return Summary
 - Verify that the return information is correct and click "Next."
 - If the return is incorrect please click the "Back" button twice to return to the file upload page and upload the corrected file.
 - Click View "Printer Friendly Version" to print your return.
 - f) Verify Information
 - Verify your return information, read the "Filing Agreement," enter your log in password and click the "Submit" button.
 - Reminder: Clicking submit will finalize the filing process. Make sure to look everything over one last time.
 - g) Confirmation Information
 - This page will indicate your confirmation number, date the return was submitted, license number, period, return type, return due date, the total amount refunded, and the option to print your return.
 - View/Print Full Return
 - You will **NOT** be able to print your return after you return to the main menu. Click "View/Print Full Return" to print your return.
- b. Manual Data Entry (Method 2)

- 1) This method will allow you to put each individual transaction into EPath one at a time.
- 2) For a visual guide on how to manually enter your claim information please [click here](#).
 - a) Indian School License's
 - The first screen is where you will record data of sales of fuel sold in bulk to a location on a licensed Indian School's premises.
 - Enter the information from your records into each box.
 - Click "Save" after each entry.
 - a) Once you hit "Save" your information will appear below.
 - After you have recorded all of your entries or if you do not have any entries for this section click "Next."
 - b) Marketer Refund Data Entry
 - The second screen is where you will record your sales to the US Government. These will be reported as a Schedule Type 8.
 - Enter the information from your records into each box.
 - Click "Save" after each entry.
 - Once you hit "Save" your information will appear below.
 - After you have recorded all of your entries or if you do not have any entries for this section click "Next."
 - c) Reefer Storage Worksheet
 - The third screen is where you will record your sales of undyed diesel fuel dispensed in separate reefer storage for refrigeration use.
 - Enter the information from your records into each box.
 - Click "Save after each entry.
 - Once you hit "Save" all your information will appear below.
 - After you have recorded all of your entries or if you do not have any entries for this section click "Next."
 - d) Tribal Sales Schedule
 - The final data entry screen is where you will record sales of fuel sold to an enrolled tribal member purchasing fuel in Indian Country controlled by the member's tribe, or an Indian tribe purchasing motor fuel or special fuel in Indian Country controlled by the tribe will be uploaded under this section.
 - Enter the information from your records into each box.
 - Click "Save after each entry.
 - a) Once you hit "Save" all your information will appear below.
 - After you have recorded all of your entries or if you do not have any entries for this section click "Next."
 - e) Supporting Documentation File Upload
 - This section allows you to upload copies of documentation to support your claim
 - Supporting documentation includes, but is not limited to: WEX statements, tax exempt statements, tax exempt spreadsheets or worksheets, and sales invoices.
 - Click "Choose File"
 - Make sure your file is uploaded using .pdf, .xls, .xlsx, .xlsb, .csv, .doc, .docx, and .jpg file formats.

- Select the file you wish to upload and click "Upload File"
 - If your file upload was successful it will appear above the "Upload File" section.
- f) Marketer's Tax Return Summary
 - Verify that the return information is correct and click "Next."
 - If the return is incorrect please click the "Back" button twice to return to the file upload page and upload the corrected file.
 - Click View "Printer Friendly Version" to print your return.
- g) Verify Information
 - Verify your return information, read the "Filing Agreement," enter your log in password and click the "Submit" button.
 - Reminder: Clicking submit will finalize the filing process. Make sure to look everything over one last time.
- h) Confirmation Information
 - This page will indicate your confirmation number, date the return was submitted, license number, period, return type, return due date, the total amount refunded, and the option to print your return.
 - View/Print Full Return
 - You will **NOT** be able to print your return after you return to the main menu. Click "View/Print Full Return" to print your return.

B. Marketers are required to file their returns electronically unless authorized by the [Department](#) to file paper returns.

1. For additional information regarding authorization to file paper returns please refer to [SDCL 10-47B-190](#).
2. The paper tax return must be filed on the forms provided by the [Department](#). To access this form you must contact the [Department](#).
 - a. To file a paper tax return please follow the steps below:
 - 1) Report total gallons of motor fuel or special fuel sold in bulk to a location on a licensed Indian school's premises. **The school must be licensed by the Department of Revenue to purchase fuel that is exempt from state taxation.** List school names and license numbers.
 - 2) Report total gallons of motor fuel or special fuel sold in bulk to a location on a licensed Indian school's premises
 - a) Add Lines 1a, 1b, 1c, and 1d.
 - 3) Report total gallons lost in accordance with [SDCL 10-47B-137](#).
 - a) The loss of motor fuel or special fuel by leakage or theft must exceed 500 gallons.
 - b) The loss of motor fuel or special fuel by a natural disaster must exceed 100 gallons.
 - c) An [Affidavit of Loss of Taxable Fuel](#) and required documents must be attached to support this claim.
 - 4) Report total gallons sold to the US Government or the Defense Supply Center
 - a) Attach [Uniform Schedule of Disbursements](#)
 - b) Schedule Type 8

- 5) Report total gallons of undyed special fuel dispensed into a separate reefer storage unit **for refrigeration use only.**
 - a) To report this complete Reefer Storage Undyed Fuel Worksheet on the back of this form.
- 6) Report total gallons of motor fuel or special fuel sold to an enrolled tribal member purchasing fuel in Indian country that is controlled by the member's tribe, or an Indian tribe purchasing motor fuel or special fuel in Indian country that is controlled by the Indian tribe
 - a) Attach [**Tribal Sales Schedule.**](#)
- 7) Subtotal all gallons
 - a) Add Lines 2, 3, 4, 5, and 6.
- 8) Tax rates.
- 9) Total taxes eligible for refund
 - a) Multiply Line 7 by Line 8.
- 10) Total Refund Claim amount
 - a) Add Columns A through G on Line 9.
- 11) Once all the needed documentation is completed please mail it to the address listed below:
 - a) Remittance Center
Motor Fuel Tax Returns
Mail Code 5055
Pierre, SD 57501-3100

Tribal Marketer (TM)

- A. A Tribal Marketer is a person that engages in the wholesale or retail sale of [motor fuel](#) or [special fuel](#) on Indian reservations and/or in Indian country that have tax agreements with the State of South Dakota and the Department of Revenue.
- B. Tribal Marketers must be licensed to do business in South Dakota.
 - 1. A separate license is required for each business location within the state.
- C. Fuel Tax Responsibilities
 - 1. Tribal Marketers only purchase tax paid [motor fuel](#), tax paid clear [special fuel](#) and tax-exempt dyed special fuel; they have no fuel tax remitting responsibilities to the state.
 - 2. Tribal Marketers are advised to file a monthly electronic schedule that contains information from the previous month using [EPath](#). The return should be submitted on or before the twentieth day of the month. This means days that are not Saturdays, Sundays, legal holidays, and days that the Federal Reserve Bank is closed.
 - a. By submitting the monthly return the tribe that the Tribal Marketer is affiliated with will receive a portion of the tax amount reported on these returns back.
 - 1) The amount of tax that will be received by each tribe will be determined based off the tribal agreement they have with the State of South Dakota and the Department of Revenue.
 - b. For information on how to file a Tribal Marketer return please [click here](#).
- D. Selling Dyed Diesel and Dyed [Biodiesel](#)
 - 1. Tribal Marketers may sell dyed diesel and dyed biodiesel tax-exempt used for agricultural purposes.
 - a. Dyed diesel or dyed [Biodiesel](#) may also be sold tax-exempt to the state or its political subdivisions for use in their vehicles, machinery, and equipment that are used in [highway construction](#).
 - 2. Tribal Marketers are required to charge and collect sales tax on sales of dyed diesel and dyed biodiesel to licensed [Highway Contractors](#). These sales are to be reported on the Marketer's sales tax return.
 - a. Please contact the Business Tax Division at 1-800-829-9188 for further information on the Marketer sales tax return.
 - 3. All Diesel or [Biodiesel](#) sold to the state, political subdivisions, and school systems for vehicular use must be **undyed**.
 - a. This includes fuel being used in buses.
- E. Selling [Ethanol Blends](#) and Methanol Blends
 - 1. [Ethyl Alcohol](#) and [Methyl Alcohol](#) are taxed at the rate of \$.14 per gallon plus the \$.02 per gallon [Tank Inspection Fee](#).

- a. These products are now taxed because of the various levels of [Ethanol Blends](#) being produced in the industry.
- 2. If a Tribal Marketer sells an [ethanol blend](#) or methanol blend, the sales invoice must indicate what type of ethanol blend or methanol blend was sold.
 - a. For example, E10, E20, E30 etc

Required Records

- A. Tribal Marketers are to keep detailed records of all fuel transactions. Records are used to:
1. Accurately complete the Tribal Marketer Schedule of Sales;
 - a. Records are to be maintained at the place of business or delivery location at least 30 days;
 - b. Records may then be stored offsite; and
 - c. All records must be preserved for the current year and the three preceding calendar years
 2. Records must be presented to Department personnel if you are audited or have your records reviewed.
- B. Tribal Marketers must keep monthly inventory records that contain **ALL** of the following:
1. Total gallons of each type of fuel in storage at the beginning of the month;
 2. Total gallons of each type of fuel received during the month;
 3. Total gallons of each type of fuel sold during the month; and
 4. Total gallons of each type of fuel in storage at the end of the month.
- C. Tribal Marketers must keep all sales and or purchase invoices. A copy of the invoice must be maintained by both the seller and the purchaser.
1. These files must be kept in either their original format, through film retrieval or electronic media.
 - a. Invoices must be serially numbered and contain **ALL** of the following information: [SDCL 10-47B-159](#)
 - 1) The seller's name and address.
 - 2) The selling **Supplier's** license number if the fuel is sold from a pipeline; or the selling **Marketer's** number if not sold from pipeline.
 - 3) The purchaser's name and address.
 - 4) The date of sale and delivery of the fuel.
 - 5) The number of **gallons** sold and delivered, the type of fuel, and if diesel whether or not it was dyed.
 - 6) The price charged per gallon of fuel;
 - 7) If charged, the amount of fuel tax or sales tax.
 - a) Fuel tax must either be listed separately or as a statement that the price per **gallon** includes the South Dakota fuel tax.
 - 8) The total amount of the sales invoice.
 2. These records are necessary and will be used to complete the Marketer Schedule of Fuel Sales on Indian Reservations and in Indian Country.
- D. Tribal Marketers must maintain all fuel shipping documents they receive in their records.
1. Marketers are responsible for inspecting any shipping document to insure that it indicates South Dakota as the **destination state**.
 - a. These fuel shipping documents required to be maintained in their records must

include:

- 1) Bills of lading,
- 2) Drop load tickets, and
- 3) Diversion tickets.

E. Tribal Marketers are also required to keep:

1. Fuel disbursement records
2. Weekly pump meter readings

F. The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records.

Reporting Schedule Instructions

A. Tribal Marketers report their transactions electronically using [EPath](#).

1. For a visual guide of filing a Tribal Marketer Schedule of Sales please [click here](#).

2. Filing an Electronic Schedule

a. In order to file a Tribal Marketer Schedule of Sales please follow the steps below:

- 1) When you log into your EPath account use the drop down options to select the license and period you wish to file for.
- 2) Click "Next"
- 3) A list of special jurisdictions will be listed. Determine the jurisdiction of your end customer
- 4) Click "Next"
- 5) Report individual types of fuel sold to the end customer under their jurisdictions.
 - a) Report gallons in whole numbers only.
- 6) Enter gross gallons under the jurisdiction of the customer the gallons were sold on each line.
 - a) **Do not** include gallons sold outside of the special jurisdictions listed on the Marketer Schedule. These include:
 - Federal Government,
 - Bulk sales to Licensed Indian Schools, and
 - Reefer Sales
- 7) Remember to review your entries before continuing on in the process.
- 8) Click "Next"
- 9) Click "Printer Friendly Version"
 - a) **Please note:** You will not be able to print your return after you click "Next." In order to print your return please follow the steps below:
 - Right click your computer mouse and select "Print Preview"
 - Click "Shrink to fit" to fit the return to the paper
 - Click "Print"
 - Close the Print screen once you have printed the form
- 10) Click "Next"
- 11) Click "Submit"
 - a) **Please note:** Clicking "Submit will finalize the filing process. Make sure to look it over one last time.

B. Filing Paper Tribal Marketer Schedule of Sales

1. **Tribal Marketers are required to file their returns electronically unless authorized by the [Department](#) to file paper returns.**

- a. For additional information regarding authorization to file paper returns please refer to [SDCL 10-47B-190](#).
2. The paper tax return must be filed on the forms provided by the Department. To access this form you must contact the [Department](#).
 - a. To file a paper tax return and schedule please follow the steps below:
 - 1) Report total gross gallons of each type of fuel sold to the end consumer for the reporting period.
 - 2) Report gallons in whole numbers only.
 - 3) Report gross gallons under the jurisdiction of the customer the gallons were sold.
 - a) **Do not** include gallons sold outside of the special jurisdictions listed on the Marketer Schedule. These include:
 - Federal Government,
 - Bulk sales to Licensed Indian Schools, and
 - Reefer Sales
 - 4) Once all the needed documentation is completed please mail it to the address listed below:
 - a) Remittance Center
Motor Fuel Tax Returns
Mail Code 5055
Pierre, SD 57501-3100

CNG Vendor (CV)

- A. A CNG Vendor is a person engaged in the business of selling compressed natural gas for use in the engine fuel supply tanks of motor vehicles. [SDCL 10-47B-64](#)
1. For purposes of taxation, **CNG** must be converted into equivalent liquid gallons of gasoline at the rate of 126.67 cubic feet of natural gas at its natural service delivery line pressure to one volumetric gross gallon of gasoline. [SDCL 10-47B-3 \(6\)](#)
 - a. In South Dakota only utility companies may operate as CNG Vendors. These companies must be regulated by the Public Utilities Commission and must also be licensed by the Department of Revenue.
- B. Fuel Tax Responsibilities and Monthly Returns
1. Fuel Tax Responsibilities
 - a. CNG Vendors are to collect and remit fuel tax on all **CNG** sold for use in motor vehicles. [SDCL 10-47B-11](#)
 - b. All fuel tax payments must be remitted to the **Department** by electronic transfer and received on or before the twenty fifth day of the month following each monthly period. [SDCL 10-47B-29](#)
 - 1) For more information regarding fuel tax returns and payment due dates please refer to our [Motor Fuel FAQ](#)
 - c. CNG Vendors are to collect and remit fuel tax on all CNG sold for use in motor vehicles. [SDCL 10-47B-11](#)
 2. Monthly Returns
 - a. CNG Vendors must file a monthly electronic return that contains information from the previous month using **EPath**. The return must be submitted on or before the twentieth day of the month. This means days that are not Saturdays, Sundays, legal holidays, and days that the Federal Reserve Bank is closed. [SDCL 10-47B-168](#) & [SDCL 10-47B-169](#)
 - b. All fuel transactions must be reported, and taxes paid to South Dakota or credits claimed during the period in which they occur. Prior period adjustments are not allowed.
 - 1) For example: if a sale of fuel takes place on July 31st the CNG Vendor cannot delay reporting that transaction until the August or September reporting period. The transaction must be reported on the July tax return.
 - 2) If a transaction occurs at the end of the month and is not reported on that month's tax return, the CNG Vendor is to amend the tax return and report the additional transaction on it.
 - a) If a paper return was filed the return must be amended on paper and if an electronic return was filed it must be amended online using EPath unless the return has already been electronically amended before.
 - b) For more information on amending returns please refer to the [Amending Returns](#) section of the manual.
 - c. CNG Vendors are required to file an electronic return using the [EPath Schedule](#).
 - 1) This schedule must show each individual transaction that takes place during the month.

[SDCL 10-47B-170](#)

- a) The number of gallons of compressed natural gas sold upon which fuel tax was charged must be included on the schedule.
 - Compressed natural gas sold for use in motor vehicles must be metered separately from other sales.
- b) For additional information on how to file a CNG Vendor tax return please refer to the [Tax Return Instruction](#) page for a CNG Vendor.

Required Records

- A. CNG Vendors are to keep detailed records of all fuel transactions. Records are used to: [SDCL 10-47B-157](#)
1. Accurately complete tax returns;
 - a. Records are to be maintained at the place of business or delivery location at least 30 days;
 - b. Records may then be stored offsite; and
 - c. All records must be preserved for the current year and the three preceding calendar years
 2. Records must be presented to Department personnel if you are audited or have your records reviewed.
- B. CNG Vendors must keep all sales and or purchase invoices. A copy of the invoice must be maintained by both the seller and the purchaser. Invoices must be serially numbered and contain **ALL** of the following information: [SDCL 10-47B-159](#)
1. The seller's name and address.
 2. The selling [Supplier's](#) license number if the fuel is sold from a pipeline; or the selling [Marketer's](#) number if not sold from pipeline.
 3. The purchaser's name and address.
 4. The date of sale and delivery of the fuel.
 5. The number of [gallons](#) sold and delivered, the type of fuel, and if diesel whether or not it was dyed.
 6. The price charged per gallon of fuel;
 7. If charged, the amount of fuel tax or sales tax.
 - a. Fuel tax must either be listed separately or as a statement that the price per [gallon](#) includes the South Dakota fuel tax.
 8. The total amount of the sales invoice.
- C. CNG Vendors are required to keep fuel receipt and disbursement records in addition to those already discussed.
- D. The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. [SDCL 10-47B-160](#)

Tax Return Instructions

A. CNG Vendors file their tax returns electronically using [EPath](#). There are two different methods that can be used in order to submit the schedules and returns.

1. Schedule Types

a. CNG Vendors will use the following schedule types to report their transactions.

- 1) 5- Gallons delivered with tax collected
- 2) 8- Gallons sold the US Government tax exempt

2. Upload File Containing Data

- a. This method will allow you to enter in a spreadsheet containing the required information that needed to be listed on the schedule.
- b. For a visual guide on how to file using this method please [click here](#).
- c. The EPath schedule can be created in Microsoft Excel and saved as a .csv or .txt file.
 - 1) The file must be saved as either a **.csv** or **.txt** for EPath to recognize the data when the file is uploaded.
 - a) You can use the [Schedule of Receipts and Disbursements Template](#) to complete your schedule or create your own.
- d. In order to upload your schedule please follow the steps below:
 - 1) When you log into your EPath account use the drop down options to select the license and period you wish to file for.
 - 2) Select "Upload File Containing Data"
 - 3) Click "Next"
 - 4) Upload your Schedule
 - a) Click "Browse" to locate the file from your computer directory that you want to upload.
 - b) Click "Add File"
 - c) Click "Next"
 - 5) If you get error messages, go directly to your schedule file on your computer, make the needed corrections, and save the file.
 - a) Go to the "File Preview" page
 - b) Click "Back"
 - c) Delete the file previously added on the "Data File Upload" page
 - d) Click "Browse" and upload the corrected EPath Schedule
 - e) Click "Add File"
 - f) Click "Next"
 - 6) Review your entries to ensure that everything is correct.
 - 7) Click "Calculate"
 - 8) Click "Next"
 - 9) Click "View Printer Friendly Version" to print your return

a) **Please note:** You will not be able to print your return after you submit your return. In order to print please follow the steps below:

- Right click your computer mouse and select "Print Preview"
- Click "Shrink to fit" to fit the return to the paper
- Click "Print"
- Close the print screen once you have printed the form

10) Click "Next"

11) Click "Submit"

a) **Please note:** Clicking "Submit" will finalize the filing process. Make sure to look it over one last time.

3. Manual Data Entry

a. This method will allow you to put each individual transaction into EPath one at a time.

b. For a visual guide on how to file using this method please [click here](#).

c. In order to upload your schedule manually please follow the steps below:

1) When you log into your EPath account use the drop down options to select the license and period you wish to file for.

2) Select "Manual Data Entry"

3) Click "Next"

4) Enter the information from your schedule into each box and click "Save" after each entry.

a) If you check the "Clear form after updates" box this will clear the form to enter the next transaction.

5) Click "Next"

6) Review your entries to ensure everything is correct

7) Click calculate

8) Click "View Printer Friendly Version"

a) **Please note:** You will not be able to print your return after you have submitted it. In order to print your return please follow the steps below:

- Right click your computer mouse and select "Print Preview"
- Click "Shrink to fit" to fit the return to the paper
- Click "Print"
- Close the Print screen once you have printed the form

9) Click "Next"

10) Click "Submit"

a) **Please note:** Clicking "Submit" will finalize the filing process. Make sure to look it over one last time.

B. Filing a Paper Tax Return

1. **CNG Vendors are required to file their returns electronically unless authorized by the [Department](#) to file paper returns.**

- a. For additional information regarding authorization to file paper returns please refer to [SDCL 10-47B-190](#).
2. A [Uniform Schedule of Disbursements](#) is required to be filed by CNG Vendors with each monthly tax return.
 - a. This schedule must show each individual transaction that takes place during the month.
 - b. This Schedule is used to show fuel products that are pulled from a South Dakota terminal or bulk plant for sale in-state or for export from the state.
 - c. There are many Schedule Types that are identified on this form. Please refer to the [Uniform Schedule of Disbursements Instructions](#) section.
3. The paper tax return must be filed on the forms provided by the Department. To access this form you must contact the [Department](#).
 - a. [Uniform Schedule of Disbursements](#)
 - 1) More than one transaction can be listed on this schedule, even if the schedule type has changed.
 - b. To file a paper tax return and schedule please follow the steps below:
 - 1) Report gallons sold tax-exempt to US Government agencies for use in motor vehicles
 - a) Attach Uniform Schedule of Disbursements
 - b) Schedule Type 8
 - 2) Report gallons on which South Dakota fuel tax is due.
 - 3) Total gallons used or sold for use in motor vehicles
 - a) Add Lines 1 and 2
 - 4) Fuel taxable gallons
 - a) Record amount from Line 2.
 - 5) Fuel Tax rate
 - 6) Fuel tax due
 - a) Multiply Line 4 by Line 5.
 - 7) Interest and/or Penalty. Interest is calculated at 1 percent per month. First month is \$5 or 1 percent, whichever is greater. Penalty is calculated at 10 percent or \$10, whichever is greater, for filing a return late even if no tax is due.
 - 8) Balance Due or Credit from prior reporting periods (See computer notice).
 - 9) Total Taxes and Fees for this reporting period
 - a) Add Lines 6, 7 and add or subtract Line 8 (depending on balance due or credit).
 - 10) Once all the needed documentation is completed please mail it to the address listed below:
 - a) Remittance Center
Motor Fuel Tax Returns
Mail Code 5055
Pierre, SD 57501-3100

LNG Vendor (LN)

A. An LNG Vendor is any person engaged in the business of selling liquid natural gas in South Dakota, wholesale or retail, for use in the engine fuel supply tanks of [motor vehicles](#).

1. LNG Vendors are required to be licensed in this state as an LNG Vendor. [SDCL 10-47B-64.5](#)
2. They are also required to report any other [LNG](#) sales made in the state and any LNG that is [imported](#) or [exported](#). [SDCL 10-47B-6](#)
3. For purposes of taxation, [LNG](#) which has been cooled to approximately -260 degrees Fahrenheit and is in a liquid state that is used as a motor fuel must be converted to equivalent liquid gallons of gasoline at the rate of 1.5536 gallons of liquid natural gas to equal one volumetric gross gallon of gasoline.

B. Fuel Tax Responsibilities and Monthly Returns

1. Fuel Taxes Responsibilities

- a. LNG Vendors are required to collect and remit fuel tax on all [LNG](#) sold for use in [motor vehicles](#) in South Dakota. [SDCL 10-47B-11](#) & [SDCL 10-47B-27](#)
- b. All fuel tax payments must be remitted to the [Department](#) by electronic transfer and received on or before the twenty fifth day of the month following each monthly period. [SDCL 10-47B-29](#)
 - 1) For more information regarding fuel tax returns and payment due dates please refer to our [Motor Fuel FAQ](#)

2. Monthly Returns

- a. An LNG Vendor must file a monthly electronic return that contains information for the preceding month using [EPath](#). The return must be submitted on or before the twentieth day of the month [SDCL 10-47B-168](#) & [SDCL 10-47B-169](#)
 - 1) Filing tax returns electronically by the twenty-third day means days that are not Saturdays, Sundays, legal holidays, and days that the Federal Reserve Bank is closed.
- b. LNG Vendors are required to file an electronic Uniform Schedule of Disbursement is with each return by using the [EPath Schedule](#).
 - 1) This schedule must show each individual transaction that takes place during the month and contain **ALL** of the following:
 - a) The FEIN number of the purchaser is entered on the schedule and must match the number that is authorized for purchaser.
 - b) The correct schedule type must also be entered for each transaction.
 - c) The fuel type is to be identified by the [FTA Product Code](#) that is listed for it in the chart.
- c. All fuel transactions must be reported, and taxes paid to South Dakota or credits claimed during the period in which they occur. Prior period adjustments are not allowed.

- 1) If a transaction occurs at the end of the month and is not reported on that month's tax return, the LNG Vendor is to amend the tax return and report the additional transaction on it.
 - a) If a paper return was filed the return must be amended on paper and if an electronic return was filed it must be amended online using EPath unless the return has already been electronically amended before.
 - b) For more information on amending returns please refer to the [Amending Returns](#) section of the manual.
- d. LNG Vendors are required to file an electronic Uniform Schedule of Disbursement with each return by using the EPath Schedule.
 - 1) This schedule must show each individual transaction that takes place during the month and contain **ALL** of the following:
 - a) The FEIN number of the purchaser is entered on the schedule and must match the number that is authorized for purchaser.
 - b) The correct schedule type must also be entered for each transaction.
 - c) The fuel type is to be identified by the [FTA Product Code](#) that is listed for it in the chart.
- e. The EPath Schedule can be created in Microsoft Excel and must be saved as a [.csv](#) or [.txt](#) file.
 - 1) **The file must be saved in one of these formats for the EPath program to recognize the data when the file is uploaded.**
- f. Data may also be entered manually and saved before submitting the tax return. Follow the prompts given to create the schedule.
- g. For additional information on how to file an LNG Vendor tax return please refer to the [Tax Return Instructions](#) page for an LNG Vendor.

Required Records

- A. LNG Vendors are to keep detailed records of all fuel transactions. Records are used to: [SDCL 10-47B-157](#)
1. Accurately complete tax returns;
 - a. Records are to be maintained at the place of business or delivery location at least 30 days;
 - b. Records may then be stored offsite; and
 - c. All records must be preserved for the current year and the three preceding calendar years
 2. Records must be presented to Department personnel if you are audited or have your records reviewed.
- B. LNG Vendors must keep all sales and or purchase invoices. [Liquid Natural Gas](#) sold for use in motor vehicles must be metered separately from other sales. A copy of the invoice must be maintained by both the seller and the purchaser. Invoices must be serially numbered and contain **ALL** of the following information: [SDCL 10-47B-159](#)
1. The seller's name and address.
 2. The selling [Supplier's](#) license number if the fuel is sold from a pipeline; or the selling [Marketer's](#) number if not sold from pipeline.
 3. The purchaser's name and address.
 4. The date of sale and delivery of the fuel.
 5. The number of [gallons](#) sold and delivered, the type of fuel, and if diesel whether or not it was dyed.
 6. The price charged per gallon of fuel;
 7. If charged, the amount of fuel tax or sales tax.
 - a. Fuel tax must either be listed separately or as a statement that the price per [gallon](#) includes the South Dakota fuel tax.
 8. The total amount of the sales invoice.
- C. LNG Vendors are also required to keep disbursement records and copies of bills of lading received for LNG purchases and issued for LNG sales in addition to those already discussed. [SDCL 10-47B-157](#)
- D. The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. [SDCL 10-47B-160](#)

Tax Return Instructions

A. LNG Vendors file their tax returns electronically using [EPath](#). There are two different methods that can be used in order to submit the schedules and returns.

1. Schedule Types

a. LPG Vendors will use the following schedule types to report their transactions.

- 1) 6D- Gallons sold tax-unpaid to other licensed LNG Vendors
- 2) 7- Gallons exported from South Dakota
- 3) 8- Gallons sold tax- unpaid to exempt Government agencies
- 4) 5- Gallons sold for use or used in licensed motor vehicles upon which fuel tax is due

2. Upload File Containing Data

a. This method will allow you to enter in a spreadsheet containing the required information that needed to be listed on the schedule.

b. For a visual guide on how to file using this method please [click here](#).

c. The EPath schedule can be created in Microsoft Excel and saved as a .csv or .txt file.

1) The file must be saved as either a **.csv** or **.txt** for EPath to recognize the data when the file is uploaded.

a) You can use the [Schedule of Receipts and Disbursements Template](#) to complete your schedule or create your own.

d. In order to upload your schedule please follow the steps below:

1) When you log into your EPath account use the drop down options to select the license and period you wish to file for.

2) Select "Upload File Containing Data"

3) Click "Next"

4) Upload your Schedule

a) Click "Browse" to locate the file from your computer directory that you want to upload.

b) Click "Add File"

c) Click "Next"

5) If you get error messages, go directly to your schedule file on your computer, make the needed corrections, and save the file.

a) Go to the "File Preview" page

b) Click "Back"

c) Delete the file previously added on the "Data File Upload" page

d) Click "Browse" and upload the corrected EPath Schedule

e) Click "Add File"

f) Click "Next"

6) Lines 2, 6, and 9 are entered in manually.

7) Review your entries to ensure that everything is correct.

8) Click "Calculate"

9) Click "Next"

10) Click "Next"

11) Click "Submit"

a) **Please note:** Clicking "Submit" will finalize the filing process. Make sure to

look it over one last time.

3. Manual Data Entry

- a. This method will allow you to put each individual transaction into EPath one at a time.
- b. For a visual guide on how to file using this method please [click here](#).
- c. In order to upload your schedule manually please follow the steps below:
 - 1) When you log into your EPath account use the drop down options to select the license and period you wish to file for.
 - 2) Select "Manual Data Entry"
 - 3) Click "Next"
 - 4) Enter the information from your schedule into each box and click "Save" after each entry.
 - a) If you check the "Clear form after updates" box this will clear the form to enter the next transaction.
 - 5) Click "Next"
 - 6) Review your entries to ensure everything is correct
 - 7) Click calculate
 - 8) Click "Next"
 - 9) Click "Next"
 - 10) Click "Submit"
 - a) **Please note:** Clicking "Submit" will finalize the filing process. Make sure to look it over one last time.

B. Filing a Paper Tax Return

1. **CNG Vendors are required to file their returns electronically unless authorized by the [Department](#) to file paper returns.**
 - a. For additional information regarding authorization to file paper returns please refer to [SDCL 10-47B-190](#).
2. A **[Uniform Schedule of Disbursements](#)** is required to be filed by CNG Vendors with each monthly tax return.
 - a. This schedule must show each individual transaction that takes place during the month.
 - b. This Schedule is used to show fuel products that are pulled from a South Dakota terminal or bulk plant for sale in-state or for export from the state.
 - c. There are many Schedule Types that are identified on this form. Please refer to the **[Uniform Schedule of Disbursements Instructions](#)** section.
3. The paper tax return must be filed on the forms provided by the Department. To access this form you must contact the **[Department](#)**.
 - a. **[Uniform Schedule of Disbursements](#)**
 - b. To file a paper tax return and schedule please follow the steps below:
 - 1) Report gallons sold tax-unpaid to other licensed LNG Vendors
 - a) Attach Uniform Schedule of Disbursements
 - b) Schedule Type 6d.
 - 2) Report gallons sold tax-unpaid for agricultural (exempt) use.
 - 3) Report gallons sold tax-unpaid to exempt government agencies

- a) Attach Uniform Schedule of Disbursements
 - b) Schedule Type 8.
- 4) Report gallons exported from South Dakota
 - a) Attach Uniform Schedule of Disbursements
 - b) Schedule Type 7.
- 5) Report gallons sold on which South Dakota sales tax is due and will be reported and remitted on your sales tax return.
- 6) Report gallons sold for use or used in licensed vehicles upon which fuel tax is due
- 7) Total LNG gallons sold or exported
 - a) Add Lines 1, 2, 3, 4, 5, and 6.
- 8) Report your beginning LNG inventory.
- 9) Report total gallons received during reporting period or brought into South Dakota.
- 10) Report total gallons to be accounted for
 - a) Add Lines 8 and 9.
- 11) Report total gallons sold or exported
 - a) Record amount from Line 7.
- 12) Report your ending LNG inventory
 - a) Subtract Line 11 from Line 10.
- 13) Report Fuel Taxable sales
 - a) Record amount from Line 6.
- 14) Fuel Tax rate
- 15) Fuel Tax liability
 - a) Multiply Line 13 by Line 14.
- 16) Interest and/or Penalty. Interest is calculated at 1.00 percent per month. First month is \$5 or 1.00 percent, whichever is greater. Penalty is calculated at 10 percent or \$10, whichever is greater, for filing a return late even if no tax is due.
- 17) Balance Due or Credit from prior reporting periods (See computer notice).
- 18) Total Taxes and Fees for this reporting period
 - a) Add Lines 15 and 16, and add or subtract Line 17 (depending on balance due or credit).
- 19) Once all the needed documentation is completed please mail it to the address listed below:
 - a) Remittance Center
Motor Fuel Tax Returns
Mail Code 5055
Pierre, SD 57501-3100

LPG Vendor (LV)

- A. An LPG Vendor is a person engaged in the business of selling [Liquid Petroleum Gas](#), wholesale or retail, for use in the engine fuel supply tank of a [motor vehicle](#) in South Dakota.
1. LPG Vendors are required to collect and remit fuel tax on all [LPG](#) sold for use in [motor vehicles](#) in South Dakota. [SDCL 10-47B-27](#)
 2. They are also required to report any other [LPG](#) sales made in the state and any LPG that is [imported](#) or [exported](#).
 3. For purposes of taxation, [LPG](#) that is used as a [motor fuel](#) must be converted from pounds to the equivalent liquid gross gallons using the conversion factor of 4.24 pounds per gallon of liquid at 60 degrees Fahrenheit.
- B. Fuel Taxes and Monthly Returns
1. Fuel Taxes
 - a. All fuel tax payments must be remitted to the [Department](#) by electronic transfer and received on or before the twenty fifth day of the month following each monthly period. [SDCL 10-47B-29](#)
 - 1) For more information regarding fuel tax returns and payment due dates please refer to our [Motor Fuel FAQ](#)
 - b. Instances in which LPG Vendors are not required to collect taxes are as follows: [SDCL 10-47B-11](#) & [SDCL 10-47B-167](#)
 - 1) Sales made to licensed LPG Users.
 - 2) [LPG](#) delivered into a [bulk storage tank](#) which has no liquid transfer line attached to it. If an LPG customer has a licensed LPG-powered vehicle, the LPG Vendor must inspect the bulk storage tank and certify that no liquid transfer line existed at the time of the inspection.
 - 3) Sales made to a customer that does not own or operate an LPG powered vehicle
 2. Monthly Returns
 - a. LPG Vendors must file a monthly electronic return that contains information for the preceding month using [EPath](#). The return must be submitted on or before the twentieth day of the month. [SDCL 10-47B-168](#) & [SDCL 10-47B-170](#)
 - 1) Filing tax returns electronically by the twentieth day means days that are not Saturdays, Sundays, legal holidays, and days that the Federal Reserve Bank is closed.
 - 2) All fuel transactions must be reported, and taxes paid to South Dakota or credits claimed during the period in which they occur. Prior period adjustments are not allowed.
 - a) If a transaction occurs at the end of the month and is not reported on that month's tax return, the LPG Vendor is to amend the tax

return and report the additional transaction on it.

- If the return was filed on paper then the LPG Vendor must amend the return on paper and fill out the [Summary for Amending Tax Returns Form](#) for that reporting period.
 - For more information on amending returns please refer to the [Amending Returns](#) section of the manual.
- 3) LPG Vendors are required to file an electronic Uniform Schedule of Disbursements with each return by using the [EPath Schedule](#).
 - 4) This schedule must show each individual transaction that takes place during the month and contain **ALL** of the following:
 - a) The FEIN number of the purchaser is entered on the schedule and must match the number that is authorized for purchaser.
 - b) The correct schedule type must also be entered for each transaction.
 - c) The fuel type is to be identified by the [FTA Product Code](#) that is listed for it in the chart.
 - 5) The EPath Schedule can be created in Microsoft Excel and must be saved as a [.csv](#) or [.txt](#) file.
 - 6) **The file must be saved in one of these formats for the EPath program to recognize the data when the file is uploaded.**
 - 7) Data may also be entered manually and saved before submitting the tax return. Follow the prompts given to create the schedule.
 - 8) For additional information on how to file an LPG Vendor tax return please refer to the [Tax Return Instructions](#) page for an LPG Vendor.
- b. LPG Vendors who properly report and remit tax may reduce the amount of fuel subject to fuel tax and retain the fuel tax collected on these deducted gallons. Amounts that can be deducted are: [SDCL 10-47B-40](#)
- 1) 2 percent of the first 25,000 gallons taxed each month
 - 2) 1 percent of the gallons taxed in excess of 25,000 gallons each month The maximum amount of tax that can be retained each month is \$500.

Required Records

- A. LPG Vendors are to keep detailed records of all fuel transactions. Records are used to: [SDCL 10-47B-157](#)
1. Accurately complete tax returns;
 - a. Records are to be maintained at the place of business or delivery location at least 30 days;
 - b. Records may then be stored offsite; and
 - c. All records must be preserved for the current year and the three preceding calendar years
 2. Records must be presented to Department personnel if you are audited or have your records reviewed.
- B. LPG Vendors must keep all sales and or purchase invoices. A copy of the invoice must be maintained by both the seller and the purchaser. Invoices must be serially numbered and contain **ALL** of the following information: [SDCL 10-47B-159](#)
1. The seller's name and address.
 2. The selling [Supplier's](#) license number if the fuel is sold from a pipeline; or the selling [Marketer's](#) number if not sold from pipeline.
 3. The purchaser's name and address.
 4. The date of sale and delivery of the fuel.
 5. The number of [gallons](#) sold and delivered, the type of fuel, and if diesel whether or not it was dyed.
 6. The price charged per gallon of fuel;
 7. If charged, the amount of fuel tax or sales tax.
 - a. Fuel tax must either be listed separately or as a statement that the price per [gallon](#) includes the South Dakota fuel tax.
 8. The total amount of the sales invoice.
- C. LPG Vendors are also required to keep disbursement records and copies of bills of lading received for [LPG](#) purchases and issued for LPG sales in addition to those already discussed. [SDCL 10-47B-157](#)
- D. The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. [SDCL 10-47B-160](#)

Tax Return Instructions

A. LPG Vendors file their tax returns electronically using [EPath](#). There are two different methods that can be used in order to submit the schedules and returns.

1. Schedule Types

a. LPG Vendors will use the following schedule types to report their transactions.

- 1) 6e- Gallons sold tax-unpaid to other licensed LPG Vendors
- 2) 8- Gallons sold tax- unpaid to exempt Government agencies
- 3) 7- Gallons exported from South Dakota
- 4) 2- Gallons purchased during the month or brought into South Dakota
- 5) 10g- Gallons sold tax-unpaid to licensed LPG Users or Highway Contractors

2. Upload File Containing Data

a. This method will allow you to enter in a spreadsheet containing the required information that needed to be listed on the schedule.

b. For a visual guide on how to file using this method please [click here](#).

c. The EPath schedule can be created in Microsoft Excel and saved as a .csv or .txt file.

1) The file must be saved as either a **.csv** or **.txt** for EPath to recognize the data when the file is uploaded.

a) You can use the [Schedule of Receipts and Disbursements Template](#) to complete your schedule or create your own.

d. In order to upload your schedule please follow the steps below:

1) When you log into your EPath account use the drop down options to select the license and period you wish to file for.

2) Select "Upload File Containing Data"

3) Click "Next"

4) Upload your Schedule

a) Click "Browse" to locate the file from your computer directory that you want to upload.

b) Click "Add File"

c) Click "Next"

5) If you get error messages, go directly to your schedule file on your computer, make the needed corrections, and save the file.

a) Go to the "File Preview" page

b) Click "Back"

c) Delete the file previously added on the "Data File Upload" page

d) Click "Browse" and upload the corrected EPath Schedule

e) Click "Add File"

f) Click "Next"

- 6) Lines 2, 6, and 9 are entered in manually.
- 7) Review your entries to ensure that everything is correct.
- 8) Click "Calculate"
- 9) Click "Next"
- 10) Click "View Printer Friendly Version" to print your return
 - a) **Please note:** You will not be able to print your return after you submit your return. In order to print please follow the steps below:
 - Right click your computer mouse and select "Print Preview"
 - Click "Shrink to fit" to fit the return to the paper
 - Click "Print"
 - Close the print screen once you have printed the form
- 11) Click "Next"
- 12) Click "Submit"
 - a) **Please note:** Clicking "Submit" will finalize the filing process. Make sure to look it over one last time.

3. Manual Data Entry

- a. This method will allow you to put each individual transaction into EPath one at a time.
- b. For a visual guide on how to file using this method please [click here](#).
- c. In order to upload your schedule manually please follow the steps below:
 - 1) When you log into your EPath account use the drop down options to select the license and period you wish to file for.
 - 2) Select "Manual Data Entry"
 - 3) Click "Next"
 - 4) Enter the information from your schedule into each box and click "Save" after each entry.
 - a) If you check the "Clear form after updates" box this will clear the form to enter the next transaction.
 - 5) Click "Next"
 - 6) Review your entries to ensure everything is correct
 - 7) Click calculate
 - 8) Click "View Printer Friendly Version"
 - a) **Please note:** You will not be able to print your return after you have submitted it. In order to print your return please follow the steps below:
 - Right click your computer mouse and select "Print Preview"
 - Click "Shrink to fit" to fit the return to the paper
 - Click "Print"
 - Close the Print screen once you have printed the form
 - 9) Click "Next"
 - 10) Click "Submit"

- a) **Please note:** Clicking "Submit" will finalize the filing process. Make sure to look it over one last time.

B. Filing a Paper Tax Return

1. **LPG Vendors are required to file their returns electronically unless authorized by the [Department](#) to file paper returns.**
 - a. For additional information regarding authorization to file paper returns please refer to [SDCL 10-47B-190](#).
2. A **[Uniform Schedule of Disbursements](#)** is required to be filed by CNG Vendors with each monthly tax return.
 - a. This schedule must show each individual transaction that takes place during the month.
 - b. This Schedule is used to show fuel products that are pulled from a South Dakota terminal or bulk plant for sale in-state or for export from the state.
 - c. There are many Schedule Types that are identified on this form. Please refer to the **[Uniform Schedule of Disbursements Instructions](#)** section.
3. The paper tax return must be filed on the forms provided by the Department. To access this form you must contact the **[Department](#)**.
 - a. **[Uniform Schedule of Disbursements](#)**
 - b. To file a paper tax return please follow the steps below:
 - 1) Report gallons sold tax-unpaid to other licensed LPG Vendors
 - a) Attach Uniform Schedule of Disbursements
 - b) Schedule Type 6e.
 - 2) Report gallons sold tax-unpaid for agricultural (exempt) use.
 - 3) Report gallons sold tax-unpaid to exempt government agencies
 - a) Attach Uniform Schedule of Disbursements
 - b) Schedule Type 8.
 - 4) Report gallons sold tax-unpaid to licensed LPG Users or Highway Contractors.
 - 5) Report gallons exported from South Dakota
 - a) Attach Uniform Schedule of Disbursements
 - b) Schedule Type 7.
 - 6) Report gallons sold on which South Dakota sales tax is due and will be reported and remitted on your sales tax return.
 - 7) Report gallons sold for use or used in licensed vehicles upon which fuel tax is due (unless sold to a licensed LPG User or Highway Contractor).
 - 8) Total LPG gallons sold or exported
 - a) Add Lines 1, 2, 3, 4, 5, 6 and 7.
 - 9) Report your beginning LPG inventory.
 - 10) Report total gallons received during reporting period or brought into South Dakota.
 - 11) Once all the needed documentation is completed please mail it to the address

listed below:

- a) Remittance Center
Motor Fuel Tax Returns
Mail Code 5055
Pierre, SD 57501-3100

LPG User (LU)

- A. An LPG User is a person who uses [Liquid Petroleum Gas](#) in the engine fuel supply tank of a motor vehicle and wishes to purchase LPG in bulk, into a storage tank which has a delivery hose attached thereto on a tax unpaid basis. [SDCL 10-47B-66](#)
1. A licensed LPG User is required to pay fuel excise taxes on any [LPG](#) transferred from their bulk storage and used in licensed vehicles on the public roads and highways in this state.
- B. Fuel Taxes and Monthly Returns
1. All fuel tax due from an LPG User must be remitted to the Department of Revenue on a semiannual basis. [SDCL 10-47B-170.1](#)
 - a. All fuel tax payments must be remitted to the [Department](#) by electronic transfer and received on or before the twenty fifth day of the month each reporting period. [SDCL 10-47B-29](#)
 - 1) For more information regarding fuel tax returns and payment due dates please refer to our [Motor Fuel FAQ](#)
 2. LPG Users must file a semiannual electronic return that contains information for the preceding months using [EPath](#). The return must be submitted on or before the twentieth day of the month.
 - a. Filing tax returns electronically by the twentieth day means days that are not Saturdays, Sundays, legal holidays, and days that the Federal Reserve Bank is closed.
 - b. All fuel transactions must be reported, and taxes paid to South Dakota or credits claimed during the period in which they occur. Prior period adjustments are not allowed.
 - 1) If a transaction occurs at the end of the reporting period and is not reported on that period's tax return, the LPG User is to amend the tax return and report the additional transaction on it.
 - a) If the return was filed on paper then the LPG User must amend the return on paper and fill out the [Summary for Amending Tax Returns Form](#) for that reporting period.
 - b) For more information on amending returns please refer to the [Amending Returns](#) section of the manual.
 - c. For additional information on how to file an LPG User tax return please refer to the [Tax Return Instructions](#) page for LPG Users.

Required Records

- A. LPG User are to keep detailed records of all fuel transactions. Records are used to: [SDCL 10-47B-157](#)
1. Accurately complete tax returns;
 - a. Records are to be maintained at the place of business or delivery location at least 30 days;
 - b. Records may then be stored offsite; and
 - c. All records must be preserved for the current year and the three preceding calendar years
 2. Records must be presented to Department personnel if you are audited or have your records reviewed.
- B. LPG Users must keep all sales and or purchase invoices. A copy of the invoice must be maintained by both the seller and the purchaser. Invoices must be serially numbered and contain **ALL** of the following information: [SDCL 10-47B-159](#)
1. The seller's name and address.
 2. The selling [Supplier's](#) license number if the fuel is sold from a pipeline; or the selling [Marketer's](#) number if not sold from pipeline.
 3. The purchaser's name and address.
 4. The date of sale and delivery of the fuel.
 5. The number of [gallons](#) sold and delivered, the type of fuel, and if diesel whether or not it was dyed.
 6. The price charged per gallon of fuel;
 7. If charged, the amount of fuel tax or sales tax.
 - a. Fuel tax must either be listed separately or as a statement that the price per [gallon](#) includes the South Dakota fuel tax.
 8. The total amount of the sales invoice.
- C. LPG Users must also keep accurate records of **ALL** of the following: [SCL 10-47B-158](#)
1. Individual vehicle and machinery fuel-consumption records or log books
 2. [Motor vehicle](#) odometer readings
 3. Machinery hour readings
 4. Monthly fuel use and odometer summaries
- D. The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including purchase records, journals, ledgers, payment records and banking records. [SDCL 10-47B-160](#)

Tax Return Instructions

A. LPG Users file their tax returns electronically using [EPath](#).

1. For a visual guide of Filing a LPG User Tax Return please [click here](#).

2. Filing an Electronic Return

a. In order to file a LPG User Tax Return into EPath please follow the steps below:

1) When you log into your EPath account use the drop down options to select the license and period you wish to file for.

2) Click "Next"

3) Report the following:

a) Line 1- Report the odometer readings from the last day of the prior reporting period for each vehicle

b) Line 2- Report the odometer readings from the last day of the current reporting period for each vehicle

c) Line 4- Report miles driven off of roads and highways for each vehicle

d) Line 6- Report each vehicle's average miles per gallon- determine from your records

e) Line 8- Report tax paid gallons of LPG purchased during the current reporting period. Your records must contain copies of sales tickets for all tax-paid fuel purchases

f) Line 13- Report total gallons of LPG received from all sources during this reporting period

g) Line 14- Report the total cost of fuel (excluding all state and federal taxes listed on line 13)

h) Line 16- Report total gallons used for off road commercial purposes or for heating purposes

i) Line 17- Report total gallons on which sales tax was paid at the time of purchase

j) Lines 3, 5, 7, 9-12, 15, & 18-24 are automatically calculated by EPath.

4) Click "Calculate"

5) Review your entries to ensure everything is correct

6) Click "Next"

7) Click "View Printer Friendly Version"

a) **Please note:** You will not be able to print your return after you click "Next." In order to print your return please follow the steps below:

- Right click your computer mouse and select "Print Preview"
- Click "Shrink to fit" to fit the return to the paper
- Click "Print"
- Close the Print screen once you have printed the form

- 8) Click "Next"
- 9) Click "Submit"
 - a) **Please note:** Clicking "Submit" will finalize the filing process. Make sure to look it over one last time.

B. Filing a Paper Return

1. **LPG Users are required to file their returns electronically unless authorized by the [Department](#) to file paper returns.**
 - a. For additional information regarding authorization to file paper returns please refer to [SDCL 10-47B-190](#).
2. The paper tax return must be filed on the forms provided by the Department. To access this form you must contact the [Department](#).
 - a. To file a paper tax return please follow the steps below:
 - 1) Record the odometer readings from the last day of the prior reporting period.
 - 2) Record the odometer readings from the last day of the current reporting period.
 - 3) Miles driven
 - a) Subtract Line 1 from Line 2.
 - 4) Miles driven off of roads and highways.
 - 5) Highway use miles
 - a) Subtract Line 4 from Line 3.
 - 6) Vehicles average miles per gallon
 - a) Determine from your records.
 - 7) Gallons consumed during reporting period
 - a) Divide Line 5 by Line 6.
 - 8) Tax-paid gallons of LPG purchased during the current reporting period. Your records must contain copies of sales tickets for all tax-paid fuel purchases claimed on this form.
 - 9) Gallons consumed with no tax paid
 - a) Subtract Line 8 from Line 7.
 - 10) Total gallons consumed with no tax paid
 - a) Add Columns A through D on Line 9
 - 11) Tax rate
 - 12) Fuel Tax due
 - a) Multiply Line 10 by Line 11
 - 13) Report total gallons of LPG received from all sources during this reporting period.
 - 14) Total cost of fuel – excluding all state and federal taxes
 - a) Listed on Line 13.
 - 15) Average cost per gallon, excluding state taxes
 - a) Divide Line 14 by Line 13.

- 16) Report total gallons used for off road commercial purposes or for heating purposes.
- 17) Report total gallons on which sales tax was paid at the time of purchase.
- 18) Net gallons subject to sales tax
 - a) Subtract Line 17 from Line 16
- 19) Total cost of gallons subject to sales tax
 - a) Multiply Line 18 by Line 15.
- 20) Sales Tax due beginning June 1, 2016
 - a) Multiply Line 19 by 4.5%
- 21) Total tax liability
 - a) Add Lines 12 and 20.
- 22) Interest and/or Penalty. Interest is calculated at 1.00 percent per month. First month is \$5 or 1.00 percent, whichever is greater. Penalty is calculated at 10 percent or \$10, whichever is greater, for filing a return late even if no tax is due.
- 23) Balance Due or Credit from prior reporting periods (See computer notice).
- 24) Total Taxes and Fees for this reporting period
 - a) Add Lines 21, 22, and add or subtract Line 23 (depending on balance due or credit).
- 25) Once all the needed documentation is completed please mail it to the address listed below:
 - a) Remittance Center
Motor Fuel Tax Returns
Mail Code 5055
Pierre, SD 57501-3100

Highway Contractor (HC)

- A. A **Highway Contractor** is any person engaged in the activity of highway construction work in this state.
1. Any person engaged in highway construction work in this state is required to become licensed as a Highway Contractor before performing this work. [SDCL 10-47B-69](#)
 - a. In order to be awarded a public highway or street contract from the State of South Dakota, or from any county, township or municipality within the state, a bidder must be licensed as a Highway Contractor.
 - 1) The state, counties, townships and municipalities have access to the Department's Highway Contractor Verification System and will check on-line to verify that a company is properly licensed and not delinquent in filing tax returns or paying taxes prior to awarding a bid or making the final payment on a highway contract.
 2. The term does not include any person who only owns and operates motor vehicles within the right-of-way hauling gravel or concrete and does not own or operate off-road machinery in the highway construction work.
 3. **Public Roads & Highways** are defined as any way or place of whatever nature, including waterways and snowmobile trails, which are open to the use of the public as a matter of right for the purpose of vehicular, snowmobile, or watercraft travel, even if the way or place is temporarily closed for the purpose of construction, reconstruction, maintenance, or repair.
 4. **The Road Right-of-Way** is defined as a strip of land over which a public road is built. The boundaries for public highways and township roads are from fence post to fence post, while city streets are from curb to curb. Storm sewers, ditches, and gutters are included within the road right-of-way.
 5. **Highway Construction Work** is defined as all work which is performed in any capacity to propel vehicles, machinery, or equipment within the right-of-way in the construction, reconstruction, repair, or maintenance of public roads & highways.
 6. For Further information regarding the Highway Contractor license, please refer to the **Highway Contractor** section of the manual.

Highway Contractor

A. Highway Contractor

1. Any person engaged in [highway construction work](#) in this state is required to become licensed as a Highway Contractor before performing this work.
 - a. [Public Roads & Highways](#) are defined as any way or place of whatever nature, including waterways and snowmobile trails, which are open to the use of the public as a matter of right for the purpose of vehicular, snowmobile, or watercraft travel, even if the way or place is temporarily closed for the purpose of construction, reconstruction, maintenance, or repair.
 - b. **The Road Right-of-Way** is defined as a strip of land over which a public road is built. The boundaries for public highways and township roads are from fence post to fence post, while city streets are from curb to curb. Storm sewers, ditches, and gutters are included within the road right-of-way.
 - c. [Highway Construction Work](#) is defined as all work which is performed in any capacity to propel vehicles, machinery, or equipment within the right-of-way in the construction, reconstruction, repair, or maintenance of public roads & highways.
2. In order to be awarded a public highway or street contract from the State of South Dakota, or from any county, township or municipality within the state, a bidder must be licensed as a Highway Contractor.
 - a. The state, counties, townships and municipalities have access to the Department's Highway Contractor Verification System and will check on-line to verify that a company is properly licensed and not delinquent in filing tax returns or paying taxes prior to awarding a bid or making the final payment on a highway contract.
3. A Highway Contractor, who has been issued a Highway Contractor's fuel tax license, may also operate as a licensed [Liquid Petroleum Gas User](#) without obtaining a separate license.

B. Other Licenses

1. Some other license types that might relate to you as a Highway Contractor are as follows:
 - a. [Importer/Exporter](#) License
 - 1) This license is required if you purchase and bring fuel into South Dakota.
 - 2) This license is also required if you removed fuel from South Dakota.
 - 3) **Please Note:** If your [importing](#), [exporting](#), and transporting activities are a required part of a Highway Contractor's work, you will only need to file a Highway Contractor Tax Return. However, if these activities are not directly related to the contracting work, a separate return must be filed for each activity.
 - b. [Transporter](#) License

- 1) This license is required if you transport fuel in or out of South Dakota in quantities greater than 4,200 gallons.

c. Contractor's Excise Tax License

- 1) This license is required if you are entering into a contract for construction services which may be listed in [Division C](#) of the [Standard Industrial Classification Manual](#) of 1987.

- 1) There are different ways to obtain a this license. They are as follows:

- a) Please contact the Business Tax Division toll free at 1-800-TAX-9188
- b) You may complete an online application at <https://sd.gov/taxapp>

Highway Contractor Examples

A. Examples: **Please Note:** These are just examples and do not cover every situation.

1. How and Where Fuel is Consumed

- a. The following examples are intended to assist you in determining the type of tax that applies based on how and where the fuel is consumed:
 - 1) A scraper may extract dirt from outside the road right of way. The scraper could then transport the dirt to a location inside the road right of way for distribution. When the scraper is outside of the road right-of-way, the dyed fuel used is subject to sales/use tax. The dyed fuel that is used inside of the road right-of-way is subject to fuel excise tax.
 - 2) A bulldozer might be used for ripping out the road surface on one project and then used for pushing a scraper outside of the road right-of-way to extract more dirt for road fill on another project. The dyed fuel used on the first project would be subject to fuel excise tax, while the dyed fuel used for the second project would be subject to sales/use tax. On such occasions, records based on each type of use need to be maintained on the bulldozer.
- b. Project managers and foremen should be able to identify a percentage of time when equipment is used inside the road right-of-way versus outside the road right-of-way. Percentages will vary, depending on how and where the equipment is used.

2. Construction Projects

- a. Questions have arisen over the years on whether certain projects are considered highway construction work. Listed below are some examples of how to classify different construction projects:
 - 1) Construction or maintenance of storm sewers, ditches or gutters is considered highway construction work since they direct water and debris away from the road or highway.
 - a) If a subcontractor is hired for the sole purpose of installing water or sewer mains, the subcontractor's work is not considered highway construction. Utility work performed in ditches would not be highway construction work either because it has nothing to do with maintenance of the actual roadway.
 - 2) Boring under the road to install utilities is not considered highway construction work because it does not involve the tearing up of the road.
 - 3) Construction of airport runways is not highway construction because while the runway may be open for private aircraft usage, they are not open for general public use.
 - 4) The paving of private parking lots and driveways are not considered highway construction because they are not within the road right-of-way and because they are privately funded.
 - 5) Annexation is not highway construction if it is privately funded. If publicly funded, it is highway construction work.

- 6) Grading and snow removal performed on state, city, county, township and municipal roads are considered highway construction. When this work is billed to the state, county, city or township, it is exempt from sales tax, but the dyed diesel or biodiesel fuel used in the equipment is subject to the fuel excise tax. The best way to report these gallons is to identify the average gallons per hour used in the equipment and take the gallons times the number of hours the equipment was used.
- 7) Mowing ditches, seeding and laying sod within the road right-of-way are considered highway work. These activities help maintain and improve the road right-of-way.
- 8) Light pole installation and road painting are also considered highway construction work. They are both considered maintenance of the road right-of-way.
- 9) Installing a culvert through an approach is highway construction work. The culvert helps divert water in the ditches and the approach is located inside the road right-of-way.
- 10) Construction of or maintenance on boat ramps and boat ramp parking is considered highway construction. Boat ramps are comparable to access ramps to a road and considered part of the right-of-way.
- 11) Dredging of rivers and lakes is also considered highway construction. This process clears waterways, which are considered highways for watercraft travel.

Required Records

- A. Highway Contractors are to keep detailed records of all fuel purchases and fuel usage as well as machinery and equipment used on highway construction. Fuel and shipping records are also required to be maintained. Records are used to: [SDCL 10-47B-157](#)
1. Accurately complete tax returns;
 - a. Records are to be maintained at the place of business or delivery location at least 30 days;
 - b. Records may then be stored offsite; and
 - c. All records must be preserved for the current year and the three preceding calendar years
 2. Records must be presented to Department personnel if you are audited or have your records
- B. Highway Contractors must keep all bills-of-lading and purchase invoices for fuel received for use in highway construction projects.
1. These records must be kept for both bulk and retail transactions including credit card receipts and statements from unattended automated pump facilities.
 - a. Receipts for fuel must contain **ALL** of the following information:
 - 1) The [Suppliers'](#) or fuel [Marketers'](#) name and address (must be machine printed or rubber stamped on the invoice);
 - 2) The license number of the [Supplier](#) or fuel [Marketer](#) from whom they purchased the fuel;
 - 3) The Highway Contractor's name and address;
 - 4) The sale and delivery date of the fuel;
 - 5) The type of fuel and number of [gallons](#) purchased, and in the case of diesel or biodiesel fuel, if it was dyed or undyed;
 - 6) [Ethanol blend](#) invoices must list gasoline gallons & 100% ethyl alcohol gallons separately;
 - 7) The price charged per [gallon](#) for the fuel;
 - 8) The amount of fuel excise tax or sales tax paid for the fuel. Either the fuel excise tax or sales tax must be listed separately on the purchase invoice or a statement by the [Supplier](#) or [Marketer](#) must be included in your records that says the price per gallon includes South Dakota fuel tax; and
 - 9) The total cost of the fuel.
- C. Highway Contractors must keep all sales and or purchase invoices. A copy of the invoice must be maintained in the records of both the seller and purchaser.
1. These files must be kept in either their original format, through film retrieval or electronic media.
 - a. Invoices must be serially numbered and must contain the following information:
 - 1) The seller's name and address.
 - 2) The selling [Supplier's](#) license number if the fuel is sold from a pipeline; or the selling

[Marketer's](#) number if not sold from pipeline.

- 3) The purchaser's name and address.
- 4) The date of sale and delivery of the fuel.
- 5) The number of [gallons](#) sold and delivered, the type of fuel, and if diesel whether or not it was dyed.
- 6) The price charged per gallon of fuel;
- 7) If charged, the amount of fuel tax or sales tax.
 - a) Fuel tax must either be listed separately or as a statement that the price per [gallon](#) includes the South Dakota fuel tax.
- 8) The total amount of the sales invoice.

D. Highway Contractors are also required to keep records of the following:

1. All fuel consumption records to support statements of fuel used in self-propelled motor vehicles, and equipment within the road right-of-way;
2. All fuel consumption records to support statements of fuel used in stationary equipment or in self-propelled motor vehicles, machinery and equipment used outside of the road right-of-way; and
3. The serial number and year of manufacture for all motor vehicles, machinery and equipment used to complete the project or contract.
4. Any of the following records may also be used to substantiate fuel usage and time spent on projects:
 - a. Machine hour listings;
 - b. Time Sheets;
 - c. Mileage records;
 - d. Average gallons per hour as furnished by the manufacturer.

E. The Secretary of Revenue may require other pertinent records and papers necessary for the enforcement of fuel tax laws, including journals, ledgers, bank deposits and statements, and checking account records. [SDCL 10-47B-160](#)

1. The Department of Revenue reserves the right to determine if these records will be considered valid or not.
2. **The Department will not accept a deduction of fuel used while vehicles, equipment, or machinery are idling.**

Taxation and Fuel Usage

- A. Fuel is only subject to either sales/use tax or fuel excise tax in South Dakota. The tax that applies is based on how and where the fuel is consumed.
1. Equipment Used for Multiple Purposes
 - a. Only one type of tax (fuel excise or sales/use tax) is due on fuel when it is purchased. How and where the fuel is consumed ultimately determines which type of tax is due.
 2. Dyed Fuel
 - a. Under the dyed fuel program, diesel & [biodiesel](#) fuel that is used for off-road purposes will have dye added to it at the refinery or at the fuel [terminal](#).
 - 1) Fuel Marketers (retail stations, convenience stores or bulk fuel distributors) must charge [sales tax](#) to Highway Contractors when the contractor purchases dyed fuel.
 - 2) The following situations indicate which type of tax should be paid on the dyed fuel that has been purchased:
 - a) Dyed fuel used for **off-road** construction (for example, in the pit area or on private property), is subject to [sales tax](#);
 - b) Dyed fuel used in **stationary equipment** within the road right-of-way during road construction, repair or maintenance is subject to [sales tax](#); and
 - c) Dyed fuel that is **used within the road right-of-way** in self-propelled movable machinery and equipment is subject to South Dakota's [fuel excise tax](#).
 3. Undyed Fuel
 - a. When you purchase undyed fuel from a retail fuel station, convenience store or bulk fuel distributor in South Dakota, they will charge you the fuel excise tax. Undyed fuel purchased outside of South Dakota and imported into the state is subject to fuel excise tax. This tax must be remitted with the Highway Contractor's Tax Return.
 - b. Highway Contractors may only use undyed fuel in licensed vehicles, regardless of how or where the fuel is to be used.
 - 1) Undyed fuel is:
 - a) Gasoline
 - b) 100 percent Ethyl Alcohol
 - c) Clear Diesel,
 - d) Clear Biodiesel, and
 - e) Liquid Propane Gas (LPG)
 - 2) Undyed Diesel or Biodiesel fuel consumed in stationary equipment within the road right-of-way or in other equipment outside of the road right-of-way is not subject to a refund of fuel excise taxes.
 - a) For this reason, a Highway Contractor should use dyed diesel or [biodiesel](#) fuel for these purposes.
 - b) [Gasoline](#), [Ethanol Blend](#), and [LPG](#) that is consumed in licensed vehicles, machinery or movable equipment within the road right-of-way is subject to the fuel excise tax.
 - c) No refund or credit of fuel excise taxes will be allowed for gasoline, ethanol blend, undyed diesel, undyed biodiesel, or any other undyed fuel that is used outside of the road right-of-way in licensed vehicles for highway construction

Fuel Taxes and Quarterly Returns

- A. All fuel tax payments must be remitted to the [Department](#) by electronic transfer and received on or before the twentieth day of the month following each monthly period. [SDCL 10-47B-29](#)
1. For more information regarding fuel tax returns and payment due dates please refer to our [Motor Fuel FAQ](#)
- B. Highway Contractors must file a quarterly paper return that contains information for the three preceding months. The return must be submitted on or before twentieth day of the month. [SDCL 10-47B-114](#)
1. For the purpose of submitting quarterly returns, the twentieth day of the month means days that are not Saturdays, Sundays, legal holidays, and days that the Federal Reserve Bank is closed.
 2. All fuel transactions must be reported, and taxes paid to South Dakota or credits claimed during the period in which they occur. Prior period adjustments are not allowed.
 - a. If a transaction occurs at the end of the quarter and is not reported on that quarter's tax return, the Highway Contractor is to amend the tax return, report the additional transaction on it, and fill out the [Summary for Amending Tax Returns Form](#) for that reporting period.
 - 1) For more information on amending returns please refer to the [Amending Returns](#) section of the manual.
 3. **Please Note:** A tax return **MUST** be completed even if no activity has occurred during the reporting period.
 4. The Return periods and due dates are as listed below:

<u>Tax Period</u>	<u>Tax Return and Payment Due Date</u>
January - March	April 20th
April - June	July 20th
July - September	October 20th
October - December	January 20th

Tax Return Instructions

When completing the Highway Contractor's Tax Return, please start on **Line 1** on the **back of the return**.

For a visual guide [click here](#)

Fuel Usage - Lines 1 - 3

This section is used to report where the fuel was consumed.

Line 1 - Enter total gallons of fuel used within the road right-of-way in Movable Equipment and Licensed Vehicles (Subject to Fuel Excise Tax).

Line 2 - Enter total gallons of fuel used in Stationary Equipment and in off-road Machinery and Equipment (Subject to Sales Tax).

Line 3 - Enter the total of Lines 1 & 2.

Fuel Inventory Reconciliation - Lines 4 - 12

This section is used to report any fuel purchases or consumption as well as fuel remaining in inventory at the end of the reporting period. Any fuel that was imported and/or exported during the reporting period is also recorded here.

Line 4 - Enter the total amount of fuel in your inventory at the beginning of the reporting period (This total should match the total fuel in your inventory at the end of the prior reporting period).

Line 5 - Enter the total amount of **bulk** fuel brought into South Dakota (imported), during the reporting period, on which South Dakota Fuel Excise Tax **has** been paid (Attach Uniform Schedule of Receipts - Type 1a).

Line 6 - Enter the total amount of **bulk** fuel brought into South Dakota (imported), during the reporting period, on which South Dakota Fuel Excise Tax **has not** been paid (Attach Uniform Schedule of Receipts - Type 2a).

Line 7 - Enter the total gallons of fuel purchased in South Dakota during the reporting period. **Line 8** - Enter the subtotal of fuel in your inventory (Add lines 4, 5, 6 & 7).

Line 9 - Enter the total gallons of fuel used during this reporting period (record amount from line 3 here). **Line 10** - Enter the total amount of **bulk** fuel taken out of South Dakota (exported) during this reporting period (Attach Uniform Schedule of Disbursements - Type 7)

Line 11 - Enter the total amount of gallons used and exported during this reporting period (Add lines 9 & 10).

Line 12 - Enter total amount of fuel remaining in your inventory at the end of the reporting period (Ending Inventory) - (Subtract line 11 from line 8).

Tax Computations - Lines 13 - 19

This section is used to calculate fuel excise tax liability and/or fuel excise tax credit. Dyed diesel fuel and LPG that has been used within the road right-of-way and is subject to the fuel excise tax will be computed in this section. Any sales tax paid on this fuel will be credited on the Sales Tax Worksheet portion of the return (Lines 29 - 37).

Line 13 - Enter the total gallons reported on line 1, columns A, C and F (These gallons are subject to Fuel Excise Tax upon use).

Line 14 - Enter the total gallons reported on line 6, columns B, D, E and G (These gallons are subject to tax upon import).

Line 15 - Enter the total gallons reported on line 10 (bulk gallons that were exported).

Line 16 - Enter the subtotal of gallons that are subject to tax (Add lines 13 and 14 and subtract line 15).

Line 17 - South Dakota Tax Rates.

Line 18 - Enter the Fuel Excise Tax that is due per type of fuel (Debit or [Credit]) - Multiply the amounts on line 16 by the Tax Rates on line 17.

Line 19 - Enter the total Fuel Excise Tax that is due (Add columns A - G, line 18).

Sales Tax Worksheet - Lines 27 - 33 (Front of the Return, Bottom Section)

This section is used to calculate any sales tax liability and/or credit due. Before completing this section, you will need to calculate your average fuel cost per gallon for each type of fuel that you are reporting.

If sales tax was paid on dyed fuel or LPG that was used in a fuel taxable manner, the sales tax paid can be taken as a credit in this section. Any city tax due or city tax

credit must be paid or taken on your Contractor's Excise Tax Return.

Line 27 - Enter the total gallons that were **used**, on which South Dakota Sales Tax has been paid (Do not include gallons still in your inventory).

Line 28 - Enter the total gallons that are subject to Sales Tax from line 2 on the reverse side of this return. **Line 29** - Enter the net gallons that are subject to Sales Tax (Debit or [Credit]) by subtracting line 27 from line 28.

Line 30 - Enter the Average Fuel Cost per Gallon (determine this from your records -- Federal Taxes, if charged at the time of purchase, must be included here).

Line 31 - Enter the Total Fuel Cost (Multiply line 29 by line 30).

Line 32 - Enter the Net Sales Tax Due (Debit or [Credit]) by multiplying each column on line 31 by \$0.04 cents.

Line 33 - Enter the total Sales Tax Due (Add columns A - C, line 32).

Tax Computations - Lines 20 - 26 (Front of the Return, Top Section)

This section is used to record the total tax liability due or tax credit. If the return is being filed late, interest and/or penalty must be calculated on Line 24 (refer to the section on Interest and Penalties in this manual for more information).

Bills-of-lading, fuel and equipment usage records and purchase invoices must be maintained for audit purposes or reviews by the Department of Revenue.

If a fuel tax credit occurs, the Department will apply the credit to any further tax liability. If the credit exceeds \$25, contact the Department for a refund.

Line 20 - Enter the Fuel Excise Tax that is due (Record the amount entered on line 19 on the reverse side of this return).

Line 21 - Check the box that applies and if your answer is YES enter your Contractors Excise Tax License number.

Line 22 - Enter the amount listed on line 33 here (NOTE: Sales Tax may be remitted on either your Contractors Excise Tax Return or on this return. If City Tax is due, it must be reported on your Contractors Excise Tax Return).

Line 23 - Enter the total Fuel Excise Tax and Sales Tax liability here (Add lines 20 and 22).

Line 24 - Enter any Interest and Penalty that is due (if filing after the due date of the return).

Line 25 - Enter the any balance due or credit from prior reporting periods (see the computer generated notice if you received one for this).

Line 26 - Enter the total amount to be remitted with this return (Add lines 23 and 24, and then add or subtract the amount on line 25 if any).

Sign the return, enter your title and the date of the return, and then mail the return to the address indicated in the top, right hand corner of the return. Do not mail to this address if this is an amended return, instead see the section on amending a Tax Return that follows.

Schedules

- A. All licensees that are required to file returns with the [Department](#) are also required to file Uniform Schedules of Receipts, and/or Uniform Schedules of Disbursements, or EPath Schedules. These schedules must identify each transaction that takes place during a reporting period.
1. [EPath Schedules](#)
 - a. All licensees are required to file electronically except for Terminal Operators, Transporters, and Highway Contractors.
 - b. This is done by using a South Dakota EPath Schedule instead of the Uniform Schedule of Receipts and/or Disbursements.
 - c. All transactions will now be reported electronically on this single schedule.
 - d. Templates of the schedule can be accessed when filing an electronic return using the Data Upload Method.
 2. The [Uniform Schedule of Receipts](#)
 - a. This schedule is used to show fuel products that are imported into the state for sale, use, or storage.
 - b. The only Schedule Types that are to be entered on this form are Schedule Type 1a, for gallons imported on a tax-paid basis and Schedule Type 2a, for gallons imported on a tax-unpaid basis.
 3. The [Uniform Schedule of Disbursements](#)
 - a. This Schedule is used to show fuel products that are pulled from a South Dakota terminal or bulk plant for sale in-state or for export from the state.
 - b. There are many Schedule Types that are identified on this form.

EPath Tax Returns & Schedules

A. South Dakota is in the process of having all fuel tax licensees file their tax returns online by using the newly implemented South Dakota EPath Tax Return System. This system will allow taxpayers to file EPath Tax Returns and Schedules, to amend previously filed tax returns and schedules (see conditions in each license section), to set up EFTs (electronic funds transfers) and to cancel fuel tax licenses.

1. You can log on to the EPath program at <https://apps.sd.gov/rv23epath/login.aspx> to file your returns and schedules. EPath Schedule Instructions:
 - a. Enter the following information on the EPath Schedule for each transaction that occurred during the reporting period.
 - 1) Column 1 - Enter the Schedule Type;
 - 2) Column 2 - Enter the Carrier Name;
 - 3) Column 3 - Enter the Carrier FEIN #;
 - 4) Column 4 – Enter Mode;
 - 5) Column 5 - Enter the Point of Origin
 - a) The Point of Origin only needs the two digit state abbreviation listed (SD, MN, AL, ect)
 - 6) Column 6 - Enter the Point of Destination for the fuel
 - a) The Point of Destination only needs the two digit state abbreviation listed (SD, MN, AL, ect)
 - 7) Column 7 - Enter the Company or individuals name the fuel was sold to or purchased from;
 - 8) Column 8 – Enter Purchaser’s or Seller’s FEIN;
 - 9) Column 9- Enter the date the fuel was received or loaded by you (BOL Date)
 - 10) Column 10- Enter the Manifest (BOL) Number
 - 11) Column 11- Enter the Gross Gallons
 - 12) Column 12- Enter the Product Type

B. Product Types & Modes of Delivery

1. Product Types
 - a. All fuel that is sold, **imported**, or **exported** is to be reported using the Product Codes listed below:
 - 1) **054** Propane
 - 2) **061** Natural Gasoline
 - 3) **065** Gasoline
 - 4) **072** Kerosene (Dye added)
 - 5) **073** Kerosene Low Sulfur (Dye added)
 - 6) **074** Kerosene High Sulfur (Dye added)

- 7) **092** Other- Undefined Products
- 8) **123** Alcohol
- 9) **125** Aviation Gasoline (AVGAS)
- 10) **130** Jet Fuel
- 11) **142** Kerosene (Undyed-Clear)
- 12) **145** Kerosene Low Sulfur (Undyed- Clear)
- 13) **147** Kerosene High Sulfur (Undyed-Clear)
- 14) **160** Diesel Fuel (Undyed)
- 15) **170** Clear Biodiesel Blend
- 16) **171** Dyed Biodiesel Blend
- 17) **224** Compressed Natural Gas
- 18) **228** Dyed Diesel Fuel
- 19) **243** Methanol
- 20) **284** Clear Biodiesel
- 21) **290** Dyed Biodiesel

2. Mode of Delivery

a. The mode of delivery must also be listed using the types listed below:

- 1) **B** for barge,
- 2) **J** for truck,
- 3) **PL** for pipeline
- 4) **R** for railcar

C. Schedule Type By Licensee

1. Below are the schedule types filed by each licensee

a. Ethanol Producer

- 1) 5- Gallons Delivered with the tax collected
- 2) 6a- Gallons sold exempt of taxes because customer is a licensed exporter
- 3) 10- Gallons sold to other tax exempt entities

b. Importer/Exporter

- 1) 1A-Gallons received, originating state tax paid
- 2) 2A- Gallons received from terminals, refineries, or distributors, origin tax-unpaid
- 3) 2B- Gallons received tax-unpaid, bendable stock
- 4) 2C- Gallons received imported, tax-unpaid diversion
- 5) 5- Gallons delivered with the tax collected
- 6) 7- Gallons exported out of state to the state of _____
- 7) 7B- Gallons sold for export, originating state tax paid
- 8) 10- Gallons sold to other tax exempt entities

c. Supplier

- 1) 5- Gallons delivered with tax collected

- 2) 6a- Gallons sold exempt of taxes because customer is a licensed exporter
- 3) 8- Gallons sold to US Government tax exempt
- 4) 10- Gallons sold to other tax exempt entities
 - a) Type 10 is only used for K-1 Kerosene that is for nontaxable purposes such as heating.

d. LPG Vendor

- 1) 6e- Gallons sold tax-unpaid to other licensed LPG Vendors
- 2) 8- Gallons sold tax- unpaid to exempt Government agencies
- 3) 7- Gallons exported from South Dakota
- 4) 2- Gallons purchased during the month or brought into South Dakota
- 5) 10g- Gallons sold tax-unpaid to licensed LPG Users or Highway Contractors

Uniform Schedule of Receipts Instructions

A. Some licensees are required to file a Uniform Schedule of Receipts with their tax returns.

1. **Please note: if you file electronically this schedule will also need to be filed electronically through [EPath](#).**

a. Enter the following information for each transaction that occurred during the reporting period:

- 1) Column 1 - Enter the Carrier Name;
- 2) Column 2 - Enter the Carrier FEIN;
- 3) Column 3 - Enter the Mode of Transportation;
- 4) Column 4 - Enter the Point of Origin and the Point of Destination for the fuel;
- 5) Column 5 - Enter the party that the fuel was acquired from (Seller);
- 6) Column 6 - Enter the Seller's FEIN;
- 7) Column 7 - Enter the date the fuel was received or loaded by you;
- 8) Column 8 - Enter the Manifest (BOL) Number;
- 9) Column 10 - Enter the Gross Gallons; and
- 10) Last Column - Enter the Product Type (located on Page 3 of this manual);
- 11) Last Line - Enter the total number of gross gallons that were imported into South Dakota.

B. Product Types & Modes of Delivery

One. Product Types

First. All fuel that is sold, imported, or exported is to be reported using the Product Codes listed below:

1. **054** Propane
2. **061** Natural Gasoline
3. **065** Gasoline
4. **072** Kerosene (Dye added)
5. **073** Kerosene High Sulfur (Dye added)
6. **074** Kerosene High Sulfur (Dye added)
7. **092** Other- Undefined Products
8. **123** Alcohol
9. **125** Aviation Gasoline (AVGAS)
10. **130** Jet Fuel
11. **142** Kerosene (Undyed-Clear)
12. **145** Kerosene Low Sulfur (Undyed- Clear)
13. **147** Kerosene High Sulfur (Undyed-Clear)
14. **160** Diesel Fuel (Undyed)
15. **170** Clear Biodiesel Blend
16. **171** Dyed Biodiesel Blend

17. **224** Compressed Natural Gas
18. **228** Dyed Diesel Fuel
19. **243** Methanol
20. **284** Clear Biodiesel
21. **290** Dyed Biodiesel

1. Mode of Delivery

a. The mode of delivery must also be listed using the types listed below:

- 1) **B** for barge,
- 2) **J** for truck,
- 3) **PL** for pipeline
- 4) **R** for railcar

2. Schedule Types

a. The **only** Schedule Types that are to be entered on this form are Schedule Type 1a, for gallons imported on a tax-paid basis and Schedule Type 2a, for gallons imported on a tax-unpaid basis. Enter the following information for each transaction that occurred during the reporting period:

- 1) Line 1 - Check the box to identify the type of transaction that is being entered on the schedule (Original, Modified or Added). Modified and Added transactions are only filed for Amended Tax Returns;
- 2) Line 2 - Enter your Company Name, South Dakota License Number and the Reporting Period at the top of this form;
- 3) First Column - Schedule Type: (These are the only schedule types to be entered on this form):
 - a) Schedule Type 1a - Gallons imported into South Dakota on a tax-paid basis;
 - b) Schedule Type 2a - Gallons imported into South Dakota on a tax-unpaid basis.

Uniform Schedule of Disbursement Instructions

A. Some licensees are required to file a Uniform Schedule of Disbursements with their tax returns.

1. **Please note: if you file electronically this schedule will also need to be filed electronically through [EPath](#).**

a. Sellers of fuel are to enter the following information on the Uniform Schedule of Disbursements for each transaction that occurred during the reporting period:

- 1) Line 1 - Check the box to identify the type of transaction that is being entered on the schedule (Original, Modified or Added). Modified and Added transactions are only filed for Amended Tax Returns;
- 2) Line 2 - Enter your Seller's or Exporter's Company Name, South Dakota License Number and the Reporting Period at the top of the form;
- 3) First Column - Schedule Type, enter the type that applies:
 - a) Schedule Type 5 - Gallons of fuel delivered with the South Dakota fuel excise tax collected;
 - b) Schedule Type 6a through 6e - Various types of tax-exempt sales as indicated on the form;
 - c) Schedule Type 7 - Gallons exported from the state;
 - d) Schedule Type 8 - Gallons sold to the U S Government and the Defense Supply Center; and
 - e) Schedule Type 10 - Gallons sold to other tax-exempt entities.
- 4) Column 1 - Enter the Carrier Name;
- 5) Column 2 - Enter the Carrier FEIN;
- 6) Column 3 - Enter the Mode of Transportation;
- 7) Column 4 - Enter the Point of Origin and the Point of Destination for the fuel;
- 8) Column 5 - Enter the party that you sold the fuel to (Purchaser);
- 9) Column 6 - Enter the Purchaser's FEIN;
- 10) Column 7 - Enter the date that the fuel was sold/shipped by you;
- 11) Column 8- Enter the Manifest (BOL) Number;
- 12) Column 9 - Enter the Gross Gallons sold; and
- 13) Last Column - Enter the Product Type (each type is located on Page 3 of this manual);
- 14) Last Line - Enter the total number of gross gallons that were sold and/or exported.

B. Product Types & Modes of Delivery

1. Product Types

a. All fuel that is sold, imported, or exported is to be reported using the Product Codes listed below:

- 1) **054** Propane
- 2) **061** Natural Gasoline

- 3) **065** Gasoline
- 4) **072** Kerosene (Dye added)
- 5) **073** Kerosene High Sulfur (Dye added)
- 6) **074** Kerosene High Sulfur (Dye added)
- 7) **092** Other- Undefined Products
- 8) **123** Alcohol
- 9) **125** Aviation Gasoline (AVGAS)
- 10) **130** Jet Fuel
- 11) **142** Kerosene (Undyed-Clear)
- 12) **145** Kerosene Low Sulfur (Undyed- Clear)
- 13) **147** Kerosene High Sulfur (Undyed-Clear)
- 14) **160** Diesel Fuel (Undyed)
- 15) **170** Clear Biodiesel Blend
- 16) **171** Dyed Biodiesel Blend
- 17) **224** Compressed Natural Gas
- 18) **228** Dyed Diesel Fuel
- 19) **243** Methanol
- 20) **284** Clear Biodiesel
- 21) **290** Dyed Biodiesel

2. Mode of Delivery

a. The mode of delivery must also be listed using the types listed below:

- 1) **B** for barge,
- 2) **J** for truck,
- 3) **PL** for pipeline
- 4) **R** for railcar

C. Schedule Type By Licensee

1. Below are the schedule types filed by each licensee

a. Ethanol Producer

- 1) 5- Gallons Delivered with the tax collected
- 2) 6a- Gallons sold exempt of taxes because customer is a licensed exporter
- 3) 10- Gallons sold to other tax exempt entities

b. Importer/Exporter

- 1) 1A-Gallons received, originating state tax paid
- 2) 2A- Gallons received from terminals, refineries, or distributors, origin tax-unpaid
- 3) 2B- Gallons received tax-unpaid, bendable stock
- 4) 2C- Gallons received imported, tax-unpaid diversion
- 5) 5- Gallons delivered with the tax collected

- 6) 7- Gallons exported out of state to the state of _____
- 7) 7B- Gallons sold for export, originating state tax paid
- 8) 10- Gallons sold to other tax exempt entities
- c. Supplier
 - 1) 5- Gallons delivered with tax collected
 - 2) 6a- Gallons sold exempt of taxes because customer is a licensed exporter
 - 3) 8- Gallons sold to US Government tax exempt
 - 4) 10- Gallons sold to other tax exempt entities
- d. LPG Vendor
 - 1) 6e- Gallons sold tax-unpaid to other licensed LPG Vendors
 - 2) 8- Gallons sold tax- unpaid to exempt Government agencies
 - 3) 7- Gallons exported from South Dakota
 - 4) 2- Gallons purchased during the month or brought into South Dakota
 - 5) 10g- Gallons sold tax-unpaid to licensed LPG Users or Highway Contractors

Filing an Amended Return

- A. If a taxpayer discovers they have reported the incorrect amount of fuel on a return, the taxpayer will need to file an amended tax return. **Please note: the correction cannot be made on a subsequent return.**

1. Amending an Electronic Return

- a. A taxpayer is required to amend their electronic return if they have reported the fuel incorrectly on their original return. **Please note: if a return was filed on paper then it cannot be amended electronically and a paper amendment will need to be completed.**
 - 1) **Electronic returns may only be amended one time.**
 - a) If additional amended returns must be submitted for the same period, an amended paper return must be submitted. Please follow the instruction listed above to do this.
 - 2) As with the original return, the taxpayer must follow the system all the way through and submit the amended return as required.
 - 3) Any needed corrections must be made on the original [EPath](#) schedule when amending the return.
 - 4) The amended schedule is then uploaded into [EPath](#).
 - 5) Interest and/or penalty will be due if additional tax is owed.
- b. [Importers/Exporters](#) may only file amended electronic returns from the April 2013 reporting period forward, because of reporting changes that have been made to the return.

2. Amending a Paper Return

- a. A taxpayer is required to amend a paper return if they have reported the fuel incorrectly on their original paper return. In order to file an amended paper return please complete the following steps:
 - 1) Complete a [Summary for Amending Motor Fuel Tax Returns](#). This form must be completed and sent in with each amended paper return.
 - a) This Summary must explain the reason or reasons that the return is being amended.
 - 2) Make a copy of the original return that was filed
 - 3) Check the amended return box
 - 4) Cross out the incorrect figure(s) and report the correct figure(s).
 - a) The return must indicate what the correct figures are, and not the difference between what was originally reported and what is correct.
 - 5) Interest and/or penalty will be due if additional tax is owed.
 - 6) The [Uniform Schedule of Receipts and/or Disbursements](#) must also be amended if individual transactions are changed, added, or deleted on the return. The return, updated schedule, and Summary, along with any tax payment, must be sent to the following address (**not** the address indicated on the return):
 - a) **Taxpayers are advised to amend their schedules electronically using the [Schedule of Receipts and Disbursements Template \(.csv\) \(.txt\)](#) template. This will ensure faster processing.**
 - 7) The return, updated schedule, and Summary should be emailed to sdmotorfuel@state.sd.us
 - a) If additional tax is due, payment may be made electronically via EPath or by submitting a paper check to the address listed below.
 - a) **To avoid your EPath payment being refunded back in error, please notify the**

**Department of Revenue that the payment an electronic payment was made
when you submit your amended return documentation via email.**

- 8) If email is not an option, the return, updated schedule, and Summary along with any tax payment may be sent to the following address listed below (not the address indicated on the return.
 - a) Remittance Center
Motor Fuel Tax Returns
Mail Code 5055
Pierre, SD 57501-3100

Interest and Penalties

- A. Taxpayers who fail to remit their fuel tax payment to the state by the due date are liable for interest and/or penalties.
1. Interest charges accrue at the rate of 1.00 percent of the tax due per month (or part of a month) or \$5, whichever is greater for the first month only. Interest is then assessed at 1.00 percent of the tax due in any subsequent months.
 2. The taxpayer, who fails to file a return or report which includes all taxable transactions within thirty days following the month the return or report is due, is assessed a penalty equal to 10 percent of the tax due or \$10 whichever is greater
 - a. For example, if a taxpayer's return and/or payment for September does not arrive by the October 31st deadline and eventually arrives on November 15th, the licensee is liable for interest for the month of November. If the payment does not arrive until December 15th, the taxpayer will be charged interest for November and December, plus a penalty equal to 10 percent of the tax liability or \$10, whichever is greater. [SDCL 10-59-6](#), & [SDCL 10-59-6.1](#)

Collections

If a taxpayer fails to pay taxes, penalties and interest, the Department of Revenue may begin a civil suit against the taxpayer for recovery of the debt. If successful, the Department becomes a judgment creditor and can use the normal collection procedures open to such a creditor.

A. Notice of Jeopardy Assessment

1. In some cases, the Department may bypass the formal audit procedure in determining if taxes are due.
 - a. If the Secretary of Revenue finds that the assessment or collection of any tax is jeopardized by delay, they may immediately make an assessment of the estimated tax, penalty, or interest and demand payment from the taxpayer. Thus, when confronted with an uncooperative taxpayer who fails to file required returns or report taxable transactions, the Secretary may estimate the amounts due based upon available records or sources and issue the "Notice of Jeopardy Assessment." [SDCL 10-59-16](#)
 - b. If a taxpayer fails to pay the amounts noted in the jeopardy assessment and is a resident of South Dakota, the Department will file appropriate liens and request the issuance of distress warrants. [SDCL 10-59-10](#)

B. Notice of Tax Lien

1. Any tax, penalty, or interest due from a taxpayer results in an automatic lien on their real or personal property. To preserve the state's lien priority against other creditors, the Department files a "Notice of Tax Lien" with the Register of Deeds of the county in which the taxpayer's property is located. [SDCL 10-59-11](#) & [SDCL 10-59-12](#)

C. Distress Warrant

1. If the taxpayer still fails to make payment, the Department requests the County Treasurer to issue a distress warrant to the County Sheriff. The distress warrant directs the Sheriff to proceed to collect the delinquent taxes by seizing and selling the taxpayer's property. [SDCL 10-59-13](#)

D. License Revocations

1. If you fail to file a report or remit a tax payment when due, the Secretary of Revenue may immediately schedule a license revocation hearing.
 - a. If your license is revoked, you may not engage in any business activity authorized by the license. Written notice of the revocation will be given to you and all other current license holders. [SDCL 10-47B-155](#)
 - b. A Hearing Examiner conducts the revocation hearing.
 - 1) The Department presents evidence to prove the failure to file or pay taxes.

- 2) The taxpayer then submits their evidence or testimony to show compliance with the tax statutes.
- 3) Following the hearing, the Hearing Examiner prepares minutes and a decision for the Secretary of Revenue to consider.
- 4) The Secretary will then issue their order, which may include an assessment of additional taxes, penalty, and interest. [SDCL 1-26D-4](#)
- c. The Department and the taxpayer have the right of judicial review of the Secretary's order.
 - 1) The procedure for judicial review is essentially the same as that described in the previous section on audit appeals.

E. Declaratory Rulings

1. If a taxpayer believes that an error has been made in determining their liability, they may ask the Secretary of Revenue to render a formal opinion regarding the application or interpretation of a tax statute.
 - a. This opinion is called a declaratory ruling and is made according to specific rules and procedures set forth in [SDCL 1-26-15](#).
2. A taxpayer who wants a declaratory ruling from the Department Secretary must submit a verified petition.
 - a. The petition must present the specific question on which they are requesting a ruling and the factual basis for the question.
 - 1) Typically, the petition will include a request for a refund of taxes.
 - b. If the Secretary determines that additional facts or information are needed, they may call for a hearing on the petition.
 - 1) The Secretary must notify the taxpayer of the hearing at least ten days prior to the hearing date.
 - c. The Secretary may decline to render a decision if it is determined that a ruling will not settle the controversy. If a ruling is made, the Secretary will include findings of fact and conclusions of law.
 - 1) The Secretary's ruling is subject to appeal to the courts.
 - a) The appeal is the same as an appeal of any other agency decision in a contested case.

Refunds

A. Refunds

1. Refund Amount

- a. When a licensee is eligible for a refund from the [Department](#) the amount must be over twenty-five dollars before it can be refunded.
 - 1) In the event that a refund is under twenty-five dollars the balance will carry over each return period until the balance reaches that amount.

2. Refund for Accidental Mixing of Undyed Fuel with Dyed Fuel

- a. Any business or person may apply for and obtain a refund of fuel taxes paid on undyed fuel that is accidentally mixed with dyed fuel when the following conditions are not met:
 - 1) The amount of undyed fuel accidentally mixed with dyed fuel equals 500 gallons or more;
 - 2) The claimant notifies the [Department](#) of the accidental mixing within five days of the incident. Notification can be done by phone, fax, email, or mail.
 - 3) The Department can determine with reasonable certainty the amount of dyed and undyed fuel involved in the accidental mixing; and
 - 4) The mixed fuel is dyed by the Department to legal specifications if deemed necessary by the [Secretary](#)
 - 5) An [Affidavit of Accidental Mixing of Undyed Fuel with Dyed Fuel](#) form is completed and mailed to the Department based on the gallons that appear on a supply tank reading before and after the drop, bill of lading, and or delivery ticket, and invoices indicating tax has been paid on the clear fuel.

3. Refunds on Customer Accounts that are Worthless [SDCL 10-47B-134](#)

- a. Any [wholesale distributor](#) or [retail dealer](#) licensed as a [Marketer](#) in this state may apply for and obtain a refund for taxes paid to this state on any gallons of [motor fuel](#), undyed [special fuel](#), or [liquid petroleum gas](#) sold to customers whose accounts are found to be worthless.
 - 1) Accounts may not be deemed to be worthless unless they have been claimed as uncollectible and deducted as an expense on the licensee's federal income tax return.
 - a) Upon application of this refund, the department shall have cause and authority to make an assessment and take collection action against the purchaser.
 - 2) Claimants are only eligible once every three years for a refund of the taxes not paid by a customer.
 - 3) The Department will notify all licensed [suppliers](#), [out-of-state suppliers](#), and [marketers](#) that the party has been delinquent in the payment of tax and that no further refunds will be paid for sales made to the party during the next three-year period. To qualify, sufficient evidence and testimony to enforce any tax collection action by the department.

4. Instances When Refunds Are Not Available [SDCL 10-47B-135](#)

- a. No refunds of fuel excise tax will be given for any of the following:
- 1) Fuel used in licensed motor vehicles, self-propelled machinery and equipment operated on South Dakota's [public highways](#);
 - 2) Fuel used on the highway in any licensed motor vehicles, machinery or equipment engaged in [highway construction](#) or maintenance work that is paid for, wholly or in part, by public moneys;
 - 3) Undyed diesel and [biodiesel](#) fuel that is used in off-road machinery or equipment;
 - 4) Fuel used by a motor vehicle while it is idling;
 - 5) Undyed diesel and [biodiesel](#) fuel that is consumed in licensed vehicles outside of the road right-of-way for commercial purposes; and
 - 6) [Gasoline](#) and [ethanol blend](#) that is consumed in licensed vehicles and stationary equipment within the road right-of way or in licensed vehicles and other equipment outside of the road right-of way.
 - 7) Fuel used in an aircraft or watercraft.

5. Refunds by license type

a. [Supplier](#)

- 1) If a licensed Supplier sells fuel to a customer who fails to pay the required fuel tax, the Supplier may apply for a refund of those taxes from the state by filing an [Affidavit for Bad Debt Loss](#). The state will then make an assessment and seek to collect the taxes from the Supplier's delinquent customer. [SDCL 10-47B-133](#)
 - a) The application for this refund must be made within sixty days from when the delinquency occurred. The application for refund may include all taxes credited to the delinquent party since the occurrence of the delinquency. The supplier or out-of-state supplier must supply the department sufficient evidence and testimony to enforce any tax collection action by the department.
 - b) A Supplier is eligible for a refund of the taxes not paid by a particular customer only once every three years. The Supplier must then collect all taxes due from that customer, on any subsequent sales made to them, for the next three years.
 - c) The [Department](#) will notify all Suppliers that a customer has been delinquent and is not entitled to delayed payment of fuel tax and TI fees for the next three years. The Department will also advise Suppliers that no further refunds of delinquent taxes will be made on any sales to this customer during the three-year period.

b. [Importer/Exporter](#)

- 1) An Importer/Exporter may apply for a refund for taxes paid to this state on [motor fuel](#) and undyed [special fuel](#) under the following conditions: [SDCL 10-47B-125](#)
 - a) Fuel which was loaded at a [bulk plant](#) in this state and [exported](#);
 - b) Fuel that is loaded at a [terminal](#) in this state indicating South Dakota as the [destination state](#) and then diverted to another state;

- c) Fuel that is withdrawn from an out-of-state terminal, and purchased from a licensed [Supplier](#), with a South Dakota destination, and is then diverted to another state; and
 - d) Fuel purchased from a licensed Supplier indicating South Dakota as the destination state and then diverted to another state
 - e) Ethyl alcohol loaded at an ethanol producer's plant in this state that indicates South Dakota as the destination state, and then diverted to another state.
- c. **[Ethanol Producer](#)**
- 1) Ethanol Producers may obtain a refund of the taxes paid for natural gasoline and or gasoline that is used to denature alcohol by claiming it on their tax returns. [SDCL 10-47B-120](#)
- d. **[Biodiesel Producer](#)**
- 1) Biodiesel Producers may apply for a tax refund for methanol used to produce biodiesel. A biodiesel producer may apply for and obtain a refund of the fuel taxes paid to this state for methanol used to produce biodiesel. [SDCL 10-47B-120.1](#)
- e. **[Marketer](#)**
- 1) There are several situations in which Marketers are entitled to refunds; please refer to the [Fuel Taxes and Marketer Refunds](#) section of the manual.

Licensee and Compliance Reviews

A. There are two programs designed to both help taxpayers with the proper maintenance of fuel tax records and to ensure that the appropriate amount of taxes are being reported and paid. These programs are the Licensee Review and the Compliance Review. [SDCL 10-47B-160](#) & [SDCL 10-47B-161](#)

1. **The Licensee Review** is an educational tool that was developed by the Department to help educate taxpayers on the proper procedures to follow in keeping and maintaining fuel tax records.
 - a. This type of review can take anywhere between a half an hour and three working days to complete. This will generally depend on the size of the company being reviewed and the amount of records that are being maintained.
 - b. No assessments will result from this type of review and the taxpayer is given an opportunity to correct errors, usually by amending tax returns.
 - c. **Penalties and interest** are assessed if it is found that additional tax is owed and **amended tax returns** have to be filed.
 - d. Recommendations are also given on how to correct any minor errors that are found. Business, company, or corporate officer and license information is also updated. If major problems are found during a licensee review, the agent has the option of recommending the business for an audit.
2. **The Compliance Review** is a tool that is used in place of an audit to correct known problems that have been discovered with a business.
 - a. This type of review can take between one working day and a working week to complete.
 - b. During the review, records are inspected in order to determine if the problem is a valid one.
 - c. Problems can be corrected by amending tax returns but the general solution to these types of problems is to schedule the company for an audit.

Audits

The Department of Revenue routinely audits taxpayers required to pay fuel taxes. The purpose of an audit is to verify the accuracy of reported fuel purchases, usage, deductions, credits, and refunds.

A. Notice of Intent to Audit

1. The audit process begins when the Department mails a "Notice of Intent to Audit" to the taxpayer. [SDCL 10-59-3](#)
 - a. Taxpayers are normally notified at least 30 days prior to the audit date (unless the Department Secretary determines that a delay would jeopardize the collection of tax). [SDCL 10-59-7](#)
 - b. At the opening conference the taxpayer must supply all records of fuel purchases and sales, including tax-unpaid sales of special fuel and sales on which sales tax was charged; all distribution records; and all fuel inventory records.
 - c. Within 60 days after the beginning of the audit, the taxpayer must provide the auditor with all records supporting deductions and exemptions.
 - 1) If the taxpayer fails to present documentation to the auditor within the 60-day period, the auditor may disallow the claimed exemption or deduction, resulting in an assessment of additional taxes and interest.
 - 2) If the taxpayer's records are not complete enough to show the true liability, the auditor may estimate the taxable receipts.

B. Certificate of Assessment

1. If the auditor determines, after reviewing the taxpayer's records, that additional taxes are due, a "Certificate of Assessment" will be issued. The certificate shows the type and amount of tax due and the reasons for the assessment. The taxpayer has 60 days from the date of the certificate to take the following action: [SDCL 10-59-4](#)
 - a. Pay the assessment, including accrued interest, or
 - b. Request a hearing (in writing) before the Secretary of Revenue.

C. Appealing an Audit

1. A request for hearing is the taxpayer's only way of contesting an audit assessment. If a taxpayer decides to appeal the assessment, he or she must submit a "Request for Hearing" within the 60-day time limitation. The request, submitted in letter form, must specifically identify the issues being contested. If it does not, the administrative hearing could be denied. [SDCL 10-59-9](#)
 - a. The request for hearing must state:
 - 1) The portion of the assessment being contested, and
 - 2) The mistake of fact or error of law the taxpayer believes resulted in an invalid assessment.
2. Once a proper request for hearing has been filed, the matter becomes a contested case

and falls within the scope of the Administrative Procedures Act (SDCL 1-26). The South Dakota Office of Hearing Examiners schedules the matter for hearing and serves the taxpayer with a "Notice of Hearing." [SDCL 10-59-9](#)

D. Notice of Hearing

1. The notice of hearing informs the taxpayer of the time and place of hearing, the name and address of the hearing examiner, and sets forth the issues to be considered.
 - a. The notice of hearing must be served on the taxpayer at least 10 days prior to the hearing to allow time for "discovery proceedings," which may include a pre-hearing conference involving the Department's attorney, the taxpayer and his or her representative, and the hearing examiner.

E. The Administrative Hearing

1. The administrative hearing is conducted according to the provisions of the Administrative Procedures Act ([SDCL 1-26](#)) and the rules set forth by the Office of Hearing Examiners.
 - a. The taxpayer may be represented by an attorney.
 - 1) Essentially, the taxpayer is a plaintiff in a civil matter.
 - b. He or she must prove that the assessment is invalid because it is based on a mistake of fact or error of law.
 - 1) In most cases, the administrative hearing is the taxpayer's only opportunity to present testimony and evidence.
 - c. At the conclusion of the hearing, the hearing examiner may request briefs on the legal issues.
 - 1) Following the submission of briefs, the hearing examiner prepares proposed findings of fact and conclusions of law for the Secretary of Revenue to consider.

F. Finding of Fact and Conclusions of Law and Order

1. The Secretary may adopt the proposals of the hearing examiner or, after reviewing the record, may submit their own findings, conclusions, and decision. Copies of the findings of fact, the conclusions of law and the order are sent to the taxpayer. [SDCL 1-26-23](#)
 - a. If the taxpayer is ordered to pay additional fees and/or tax and desires to appeal the decision to the circuit court, they must:
 - 1) Pay the amounts ordered to be paid, or
 - 2) File a bond with the Department to insure payment.
 - b. The South Dakota Supreme Court has ruled that if payment is not made, or a bond posted, the circuit court cannot hear an appeal. [SDCL 10-59-9](#)

G. Notice of Appeal

1. After the taxpayer has paid the fees and/or tax or filed a bond, the appeal to the circuit court is governed by the Administrative Procedures Act. The taxpayer must serve their notice of appeal upon the Department of Revenue and file it, along with proof of service, with the clerk of courts of the appropriate county.

- a. This notice of appeal must be filed within 30 days of the date the Secretary of Revenue serves the taxpayer notice of their decision. [SDCL 1-26-31](#)
2. When the court hears the appeal, it will base its review of the Department Secretary's decision upon the administrative record.
 - a. With regard to the questions of fact, the Secretary's findings will be upheld unless "clearly erroneous." Questions of law are fully reviewable by the court.
3. The decision of the circuit court may be appealed to The South Dakota Supreme Court. The Supreme Court will review the Secretary's decision on the record, under the same standards of review employed by the circuit court.